Canada Trustco
121st Annual Report 1984

CONTENTS

The 121st annual general shareholders' meeting: 11 a.m., Tuesday, February 26, 1985, Holiday Inn City Centre, London, Ontario, Canada.
Preference shares series G and common shares are listed on Toronto and Montreal Stock Exchanges under the stock symbol CT.
Transfer agent and registrar, The Canada Trust Company at its principal offices in Vancouver, Calgary, Regina, Winnipeg, London, Toronto and Montreal.
V-Day valuation of common shares as at December 22, 1971 is $12.50 adjusted for the two-for-one share split on March 26, 1984.
Head Office: Canada Trust Tower, 275 Dundas Street, London, Ontario, Canada N6B 3L1.
Executive Office: Canada Trust Building, 110 Yonge Street, Toronto, Ontario, Canada M5C 1T4.

THE CANADA TRUST COMPANY
P.O. Box 49390, Bentall Postal Station
1055 Dunsmuir Street
Vancouver, B.C.
V7X 1P3

CONTENTS

The 121st annual general shareholde
London, Ontario, Canada.
Preference shares series G and comm
stock symbol CT.
Transfer agent and registrar, The Cana
Winnipeg, London, Toronto and Mont
V-Day valuation of common shares as
on March 26, 1984.
Head Office: Canada Trust Tower, 275
Executive Office: Canada Trust Buildin

Canada Trustco Mortgage Company
Notice of Meeting
February 21, 1984
and Information Circular

ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the One Hundred and Twentieth Annual and a Special General Meeting of the Shareholders of Canada Trustco Mortgage Company will be held in the Commonwealth Ballroom of the Holiday Inn - City Centre Tower at 300 King Street in London, Ontario, Canada on Tuesday, the Twenty-first day of February, 1984 at 11:00 o'clock in the forenoon, for the purposes of:

1. receiving the Annual Statement and Report to Shareholders (a copy of which is enclosed);
2. considering and, if deemed advisable, approving with or without variation a resolution enacted by the Board of Directors of the Company on the 24th day of January, 1984 authorizing an application for Supplementary Letters Patent under the Loan Companies Act of Canada to alter the authorized capital of the Company by subdividing, reclassifying and changing the common shares of the par value of Two Dollars each on a two-for-one basis into common shares of the par value of One Dollar each. The full text of the resolution is reproduced in the accompanying information circular;
3. considering and, if deemed advisable, confirming with or without variation By-law Number 62, being a by-law with respect to the number of common shares that the Directors are authorized to allot and issue from time to time for employee share purchase and stock option plans. The full text of this by-law is reproduced in the accompanying information circular;
4. electing Directors;
5. appointing Auditors; and
6. transacting such other business as may properly be brought before the meeting.

Please read the enclosed Information Circular for complete details.

By Order of the Board

C. R. Clarke

C. R. CLARKE, Secretary
February 3, 1984, LONDON, Ontario

Shareholders who are unable to attend the meeting are requested to date, sign and return the enclosed form of proxy in the pre-addressed and postage-paid envelope.

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF CANADA TRUSTCO MORTGAGE COMPANY (REFERRED TO AS THE "COMPANY") OF PROXIES TO BE USED AT THE ANNUAL AND A SPECIAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON THE 21ST DAY OF FEBRUARY, 1984 AT THE PLACE AND TIME AND FOR PURPOSES SET OUT IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR. The solicitation of proxies will be primarily by mail and some might be solicited by regular employees of the Company at nominal cost. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Company. A SHAREHOLDER MAY APPOINT SOME OTHER PERSON AS A REPRESENTATIVE AT THE MEETING BY DELETING THE NAMES AND ADDRESSES OF THE DESIGNATED PERSONS AND INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND IN EITHER CASE, DELIVERING THE COMPLETED PROXY TO THE SECRETARY OF THE COMPANY IN TIME FOR USE AT THE MEETING. A person appointed as a proxy must be a shareholder of the Company. A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date, or (b) by signing written notice of revocation. To be effective, evidence of revocation must be received by the secretary of the Company before any vote at the meeting has been cast pursuant to the authority conferred by such proxy.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. IF NO DIRECTION IS GIVEN, SUCH SHARES WILL BE VOTED FOR APPROVAL OF THE ANNUAL STATEMENT AND THE REPORT THEREON, APPROVAL OF A RESOLUTION AUTHORIZING AN APPLICATION FOR SUPPLEMENTARY LETTERS PATENT UNDER THE LOAN COMPANIES ACT (CANADA) TO ALTER THE AUTHORIZED CAPITAL OF THE COMPANY, CONFIRMATION OF BY-LAW NUMBER 62, ELECTION OF DIRECTORS, APPOINTMENT OF AUDITORS, ALL AS STATED IN THIS INFORMATION CIRCULAR, AND APPROVAL OF ALL ITEMS PROPERLY COMING BEFORE THE MEETING, INCLUDING AMENDMENTS OR VARIATIONS OF MATTERS SET OUT IN THE NOTICE OF MEETING. At the time of printing this information circular, management of the Company knows of no such amendments, variations or other matters to come before the meeting other than those referred to in the notice of meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of January 20, 1984 the Company had issued and outstanding a total of 10,579,850 common shares each with a par value of two dollars ($2.00) and, subject to the limitations summarized below and contained in the Loan Companies Act of Canada and in the Letters Patent of the Company issued thereunder, each such share is entitled to one vote.

The Manufacturers Life Insurance Company (ManuLife) beneficially owns 2,580,753 shares, being 24.39% of common shares issued.

Under provisions of the Canadian and British Insurance Companies Act, by which ManuLife is regulated, its maximum beneficial ownership of Canada Trustco's issued common shares is limited to 30%.

However, Canada Trustco's charter prohibits the registration of common shares if the total number held by a purchaser and associates would exceed 10% of common shares issued. The charter also limits the number of votes which may be cast by any shareholder and associates at a shareholders' meeting to 10% of common shares issued. In the opinion of legal counsel the charter provisions are valid and enforceable. ManuLife has indicated its awareness of these restrictions.

In addition, the Loan Companies Act of Canada provides that a non-resident shareholder which beneficially owns in excess of 10% of the common shares of a federally incorporated loan company may not vote the shares. As the policyholders of ManuLife having voting rights are entitled to elect its directors, and a majority of such

policyholders may be non-residents, the question of whether ManuLife is technically a non-resident for purposes of the Loan Companies Act has arisen. ManuLife has stated that it is a resident of Canada. However, on the advice of counsel, the board has determined, under the terms of the Loan Companies Act, that the shares held by ManuLife should not be voted until ManuLife's status for the purposes of the Loan Companies Act is clarified by the provision of appropriate evidence to the board or amendment of the governing statute, or a decision of the courts.

To the knowledge of the directors and officers of Canada Trustco Mortgage Company no other person or company beneficially owns or exercises control or direction over common shares carrying more than 10% of the votes attached to such common shares of the Company. However, a number of common shares are held in nominee names.

No record date having been fixed by the directors for determining the holders of shares who may vote at the meeting, all persons who are registered common shareholders at the close of business on the business day immediately preceding the meeting will, subject to the limitations mentioned above, be entitled to vote.

SPECIAL BUSINESS OF THE MEETING

The shareholders will be asked to consider and, if thought advisable, approve a Resolution authorizing an application for Supplementary Letters Patent and enact By-law Number 62, copies of which are annexed hereto as Schedules "A" and "B" respectively.

Application for Supplementary Letters Patent

To improve the marketability of the Company's common shares, it is proposed to make an application for Supplementary Letters Patent under the Loan Companies Act of Canada to alter the authorized capital of the Company by subidividing each common share of the par value of $2.00 each, whether issued or unissued, into two common shares of the par value of $1.00 each. The Directors enacted an appropriate resolution on the 24th day of January, 1984 and recommend approval thereof by the shareholders.

By-law Number 62

In 1982 the shareholders confirmed By-law Number 60, which authorized the Directors to implement employee share purchase and option programs for the employees and to allot and issue common shares from time to time to plans established for such programs, provided the number so issued should not exceed 500,000 shares. The Directors implemented such plans and since that time have alloted to such plans some 450,000 shares. Being of the view that such plans continue to provide incentive to greater effort and encourage employee participation as shareholders of the Company, the Directors recommend confirmation of By-law 62, which amends By-law 60 by providing that the number of common shares the Directors may allot and issue for such employee plans shall not exceed 1,000,000 rather than the present limit of 500,000 shares. If the Supplementary Letters Patent referred to above are obtained, the number of shares for such purpose will increase accordingly.

ELECTION OF DIRECTORS

The by-laws of the Company provide for the affairs of the Company to be managed by a board to be elected annually consisting of not less than fifteen nor more than thirty Directors as determined by the Board. The Board passed a resolution on January 25, 1983, which states that the Board determines the size of the board will be 27, being within the limits set by the By-law. IN THE ABSENCE OF CONTRARY INSTRUCTIONS THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE NOMINEES WHOSE NAMES ARE SET FORTH on Pages 4, 5 and 6. All of the persons named with the exception of D. Michael M. Goldie and Peter G. White are presently directors of the Company.

It is not contemplated that any of the nominees will be unable to serve as a Director, but if between the date of this Information Circular and the date of the Annual and Special General Meeting of Shareholders it is determined that any of the nominees is unable to serve as a Director, the persons named in the form of proxy reserve the right to vote for another nominee in their discretion. Each Director elected will hold office until the next Annual General Meeting of Shareholders and until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the by-laws.

Set forth on pages 4, 5 and 6 are the names of all persons proposed to be nominated for election as Directors, all other positions and offices with the Company now held,

their principal occupations or employments, the year in which they became Directors of the Company, the approximate number of equity shares of the Company and its subsidiary, The Canada Trust Company, beneficially owned, directly or indirectly, or over which control is exercised by each of them as at February 3rd, 1984 and a summary of the record of attendance by Directors at Board and Committee meetings during 1983.

	Director of Canada Trustco (Canada Trust) Since	Shares Owned	
		Canada Trustco Common	Canada Trust 2nd Preference
J. W. Adams, London, Ontario, President, Emco Limited, a diversified manufacturer and distributor of plumbing and petroleum equipment.	1982 (1981)	754	5
A. E. Barron, Toronto, Ontario, Chairman, Canadian Tire Corporation Limited.	1963 (1961)	3,500	5
Mrs. Sonja I. Bata, Don Mills, Ontario, Director, Bata Limited, headquarters of the Bata shoe organization worldwide operations.	1983 (1983)	1,550	5
R. P. Bratty, Toronto, Ontario, Partner, Gambin Bratty, Barristers and Solicitors, a general legal practice.	1982 (1977)	450	5
John B. Cronyn, London, Ontario, Corporate Director and Consultant.	1972 (1978)	281	5
F. W. Dakin, Hamilton, Ontario, President and Chief Executive Officer, The G.W. Robinson Company Limited, department stores.	1977 (1975)	250	5
George H. Dobbie, Cambridge, Ontario, Chairman, Glenelg Textiles Limited, a yarn manufacturer.	1982 (1971)	3,600	5
Eric F. Findlay, Toronto, Ontario, Chairman and Chief Executive Officer, Silverwood Industries Limited, retail convenience and ice cream stores.	1982 (1977)	250	5
R. W. Gardhouse, Milton, Ontario, Corporate Director.	1982 (1978)	883	5
D. Michael M. Goldie, Vancouver, B. C., Partner, Russell & DuMoulin, Barristers and Solicitors, a general legal practice. Mr. Goldie has been a partner of this firm for more than five years.		250	5

William D. Grace, Edmonton, Alberta, Senior Vice-President, Finance and Director, Canadian Utilities Limited, an electric and natural gas utility.	1982 (1982)	339	5
W. Howard Hemphill, Stratford, Ontario, Chairman, Krug Furniture Inc., a furniture manufacturing company.	1982 (1971)	1,600	5
J. T. Hill, Kitchener, Ontario, President and General Manager, Economical Mutual Insurance Company, a general insurance company.	1982 (1982)	500	5
Mrs. Beryl M. Ivey, London, Ontario, Vice-President, The Richard Ivey Foundation, a charitable foundation.	1982 (1981)	4,000	5
E. S. Jackson, Toronto, Ontario, President, The Manufacturers Life Insurance Company, a life insurance company.	1983 (1983)	256	5
Mervyn L. Lahn, London, Ontario, President and Chief Executive Officer of the Company and The Canada Trust Company.	1978 (1978)	1,857	5
Tom Lawson, London, Ontario, Honorary Chairman, Lawson & Jones Limited, a printing and lithographing company.	1957 (1956)	16,637	5
F. T. Metcalf, Toronto, Ontario, President and Chief Operating Officer, Maclean Hunter Limited, a diversified communications company.	1982 (1980)	1,000	5
A. H. Mingay, Toronto, Ontario, Chairman of the Board and the Executive Committee of the Company and The Canada Trust Company.	1964 (1967)	1,000	5
K. G. Murray, Kitchener, Ontario, President, J.M. Schneider Inc., a meat processing company.	1982 (1976)	377	5
Carl O. Nickle, Calgary, Alberta, President, Conventures Limited, a company engaged in oil and gas exploration.	1982 (1970)	3,300	5
John H. Panabaker, Kitchener, Ontario, Chairman and Chief Executive Officer, The Mutual Life Assurance Company of Canada, a life assurance company.	1979 (1979)	585	5

D. H. Parkinson, Vancouver, B.C., Senior Vice-President and Chief Financial Officer, Westcoast Transmission Company Limited, a natural gas pipeline company.	1982 (1980)	250	5
W. John Stenason, Calgary, Alberta, Corporate Director and Consultant.	1980 (1972)	1,000	5
R. W. Stevens, Toronto, Ontario, Partner, Blake Cassels & Graydon, Barristers and Solicitors, a general legal practice.	1982 (1970)	1,125	5
J. D. Stevenson, Toronto, Ontario, Partner, Smith Lyons Torrance Stevenson & Mayer, Barristers and Solicitors, a general legal practice.	1982 (1971)	500	5
Peter G. White, London, Ontario, President, The London Free Press Holdings Limited, a company holding investments in the communications industry. Mr. White has held this position since July 1, 1983 and has been President of The London Free Press, a daily newspaper, for more than five years.		250	5

The By-laws of the Company provide that the directors may elect from their members an Executive Committee. As of the date of this circular the members of such Committee are: A.H. Mingay (Chairman), J.W. Adams, A.E. Barron, J.B. Cronyn, F.W. Dakin, E.S. Jackson, M.L. Lahn, Tom Lawson, J.H. Panabaker and W.J. Stenason. In addition there is an Audit Committee appointed by the directors consisting of J.W. Adams (Chairman), A.E. Barron, R.P. Bratty, F.W. Dakin, R.W. Gardhouse, E.S. Jackson and Tom Lawson.

DIRECTORS' ATTENDANCE 1983

	TOTAL BOARD MEETINGS	NUMBER ATTENDED	TOTAL EXECUTIVE COMMITTEE MEETINGS	NUMBER ATTENDED
ADAMS, J.W.	7	7	15	11
BARRON, A.E.	7	6	17	12
BATA, SONJA I.	5	4		
BRATTY, R.P.	7	7		
CRONYN, J.B.	7	6	17	15
DAKIN, F.W.	7	7	17	10
DOBBIE, G.H.	7	7		
FINDLAY, E.F.	7	6		
GARDHOUSE, R.W.	7	7		
GRACE, W.D.	7	7		
HEMPHILL, W.H.	7	6		
HILL, J.T.	7	7		
IVEY, BERYL M.	7	5		
JACKSON, E.S.	5	5	15	7
LAHN, M.L.	7	7	17	14
LAWSON, TOM	7	6	17	11
METCALF, F.T.	7	7		
MINGAY, A.H.	7	7	17	16
MURRAY, K.G.	7	4		
NICKLE, C.O.	7	0		
PANABAKER, J.H.	7	5	17	13
PARKINSON, D.H.	7	6		
STENASON, W.J.	7	7	17	16
STEVENS, R.W.	7	5		
STEVENSON, J.D.	7	5		

DIRECTORS' AND OFFICERS' REMUNERATION

During the year ended December 31, 1983 the aggregate remuneration paid or payable by the Company and The Canada Trust Company and estimated aggregate cost to the Company and The Canada Trust Company of all pension benefits proposed to be paid under the pension plan upon retirement at normal retirement age to the following groups was as set out below:

	NATURE OF REMUNERATION	
	From office, employment and employer contributions (aggregate)	Cost of pension benefits (aggregate)
(i) DIRECTORS (TOTAL NUMBER: 27)		
(a) From Company and wholly-owned subsidiary	$ 246,200	—
(b) From partially-owned subsidiaries	—	—
TOTAL	$ 246,200	—
(ii) FIVE SENIOR OFFICERS		
(a) From Company and wholly-owned subsidiary	$1,031,140	$237,173
(b) From partially-owned subsidiaries	—	—
TOTAL	$1,031,140	$237,173
(iii) OFFICERS WITH REMUNERATION OVER $50,000 (TOTAL NUMBER: 29)		
(a) From Company and wholly-owned subsidiary	$3,348,753	$294,825
(b) From partially-owned subsidiaries	—	—
TOTAL	$3,348,753	$294,825

STOCK OPTIONS

Pursuant to the Canada Trustco Mortgage Company Stock Option Plan (1982), the Company granted certain options to its officers during 1982 and 1983 to purchase common shares. These are exerciseable for 10 years with 10% becoming eligible for exercise in each year measured from date of granting. Details of such options granted under the plan during 1982 and 1983 are as follows:

OPTIONS GRANTED				
DATE	NO. OF SHARES	PRICE PER SHARE	30 DAY PRICE RANGE*	
			HIGH	LOW
23 February 1982	202,600	$25.11	$29.50	$26.00
21 February 1983	181,300	31.30	36.25	30.00
26 April 1983	33,290	40.43	46.00	41.625
	417,190			

During the year 1983 options to purchase common shares of the Company granted in 1982 were exercised by officers of the Company as follows:

OPTIONS EXERCISED				
DATE	NO. OF SHARES	PRICE PER SHARE	30 DAY PRICE RANGE*	
			HIGH	LOW
5 January 1983	220	$25.11	$34.50	$32.625
14 March 1983	1,600	25.11	39.50	34.00
	1,820			

* The prices shown were the high and low mark prices for common shares on The Toronto Stock Exchange for the 30 day period preceding the date of grant or exercise, as the case may be.

APPOINTMENT OF AUDITORS

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE IN THE ABSENCE OF CONTRARY INSTRUCTIONS FOR THE RE-APPOINTMENT OF THORNE RIDDELL, CHARTERED ACCOUNTANTS, LONDON, AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND TO AUTHORIZE THE DIRECTORS TO SET THEIR REMUNERATION. Thorne Riddell have been auditors of the Company for more than the last five years.

By Order of the Board

C.R. Clarke, Secretary

February 3, 1984, London, Ontario

FINANCIAL STATEMENTS

Enclosed with this Information Circular is the Canada Trustco Annual Report 1983, being the statement of affairs of the Company.

As required by Section 52(2) of the Loan Companies Act, R.S.C. 1970 c.170 as amended, we hereby certify that to the best of our knowledge and belief the statement is correct and shows truly and clearly the financial condition of the Company's affairs.

Arthur H. Mingay, Chairman

Mervyn L. Lahn, President

John W. Adams, Chairman, Audit Committee

February 3, 1984, London, Ontario

SCHEDULE "A"

Resolution authorizing application for Supplementary Letters Patent under the Loan Companies Act to alter the authorized capital of the Company

WHEREAS the authorized capital of the Company is presently divided into Thirteen Million, Eighteen Thousand, Five Hundred and Sixty-Three (13,018,563) cumulative, redeemable preference shares of the par value of Twenty Dollars ($20.00) each, issuable in series, and Twenty Million (20,000,000) common shares of the par value of Two Dollars ($2.00) each:

AND WHEREAS it is desirable and in the best interests of the Company that its common shares of the par value of Two Dollars ($2.00) each be subdivided, reclassified and changed into shares with a par value of One Dollar ($1.00) each on a two-for-one basis;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Company be and is hereby authorized to make application to The Honourable The Minister of Consumer and Corporate Affairs for Supplementary Letters Patent pursuant to Section 6 of the Loan Companies Act (Canada) to alter the authorized capital of the Company by subdividing, reclassifying and changing the present Twenty Million (20,000,000) issued and unissued common shares of the par value of Two Dollars ($2.00) each into Forty Million (40,000,000) common shares of the par value of One Dollar ($1.00) each;

2. Any two of the Chairman, the President, a Vice-President and the Secretary of the Company be and they are hereby authorized and directed to do all such things and to execute under the corporate seal of the Company, or otherwise, and to deliver all such documents or instruments as may be necessary or desirable in connection with such application;

3. The proper officers of the Company and the Registrar and Transfer Agent of the Company be and they are hereby authorized and directed to do all things necessary or desirable to carry out the intent of the foregoing.

SCHEDULE "B"

By-law Number 62

being a by-law with respect to
employee share purchase and option programs

WHEREAS By-law Number 60 of Canada Trustco Mortgage Company authorized implementation of employee share purchase and option programs to provide incentive to greater effort and encourage employee participation as shareholders of the Company;

AND WHEREAS the said by-law provided that the number of common shares of the Company which the Directors may allot and issue for the plans established thereunder shall not exceed 500,000;

AND WHEREAS it is deemed desirable and in the best interests of the Company to continue such programs and to increase the number of common shares of the Company that the Directors may allot and issue thereunder;

NOW THEREFORE BE IT ENACTED as a by-law of Canada Trustco Mortgage Company that paragraph number 1 of By-law 60 be repealed and the following substituted therefore:

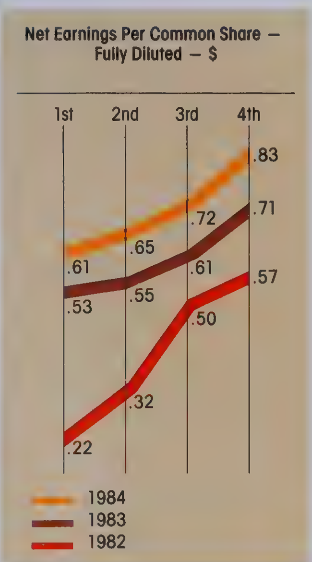
> "For the purpose of enabling employees to participate as shareholders in the growth of the Company and of providing effective incentives to such employees 1,000,000 common shares of the capital stock of the Company (the "Shares") of the par value of Two Dollars ($2.00) each are hereby made available for the plans established under this By-law. The Directors are hereby authorized to allot and issue from time to time for the purpose of such plans common shares from the unissued capital of the Company provided the number of such Shares so issued shall not exceed 1,000,000.
>
> The number of shares set aside pursuant to this By-law shall be adjusted to reflect any subdivision or consolidation of the common shares of the Company after the coming into force of this By-law."
>
> This By-law shall come into force on the date of confirmation thereof by the shareholders of the Company.

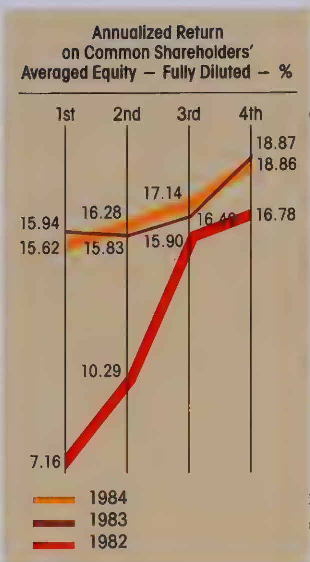
Canada Trust

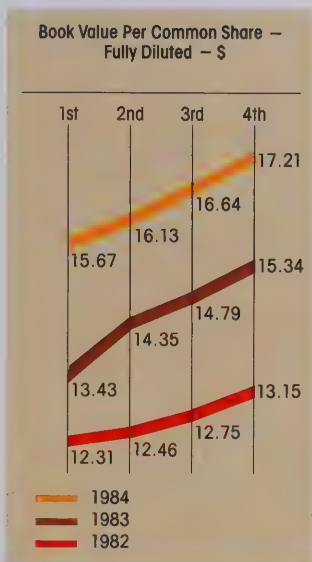
FINANCIAL HIGHLIGHTS

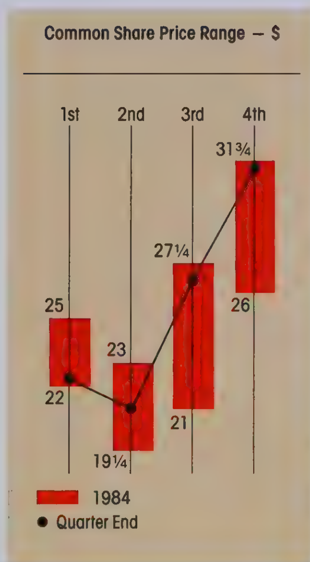
FOR THE YEAR *(in thousands except percentages and common share amounts)*	1984	% Increase (Decrease)	1983	% Increase (Decrease)	1982
Net earnings	$74,340	16	$63,976	59	$40,307
Net earnings attributed to common shares	66,396	22	54,598	84	29,654
Net earnings per common share – fully diluted	2.81	17	2.40	49	1.61
Net earnings ratios to averaged					
Assets	.68%		.66%		.44%
Common shareholders' equity – fully diluted	17.02%		16.83%		12.70%
Market price					
High	$ 31¾	32	$ 24	39	$ 17¼
Low	19¼	28	15	64	9⅛
December 31	31½	39	22⅝	33	17

AT YEAR-END *(in millions except percentages and common share amounts)*	1984	% Increase (Decrease)	1983	% Increase (Decrease)	1982
Corporate assets	$11,750	15	$10,182	10	$ 9,242
Loans	7,461	12	6,637	8	6,170
Deposits	11,144	15	9,663	9	8,825
Shareholders' equity	424	(4)	443	22	363
Per common share – fully diluted	17.21	12	15.34	17	13.15
Assets under administration	25,136	20	20,959	15	18,212









"Technology gives each branch instant access to current rates."

Jerry Hughes
Financial Administration

"A computer model helps predict daily cash requirements at each branch."

Sharon Muir
Ottawa
Bank at Heron

COMPANY PROFILE

Canada Trustco Mortgage Company was incorporated in 1864 as The Huron and Erie Mortgage Corporation. Today Canada Trustco is one of the nation's largest financial institutions. Assets under administration exceeded $25 billion at December 31, 1984. Head Office is in London, Canada, with executive offices and many corporate functions located in Toronto. Customers are served from 208 financial services branches offering savings, loans and certain trust services, and 69 real estate sales offices. Corporate term lending and complete trust services are provided through full service branches in major markets. Branch operations are managed through seven regional offices.

Canada Trust is the commonly used name for Canada Trustco Mortgage Company and its wholly owned subsidiary The Canada Trust Company, incorporated in 1894. For many years the two companies have been completely integrated for operating purposes, with Canada Trustco licensed under the Loan Companies Act (Canada) and The Canada Trust Company under the Trust Companies Act (Canada).

A subsidiary, Truscan Realty Limited, owns many of the company's branch premises as well as investing directly in development and rental projects for both investment and resale.

Additional information including a booklet outlining philosophies and standards of conduct is available by writing or phoning John A. Whaley, Secretary's Office, Canada Trust Tower, 275 Dundas Street, London, Canada, N6B 3L1 (519) 663-1596.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

Canada Trustco offers Canadian resident common shareholders a convenient, economical way to increase investment in the company. By enrolling in the dividend reinvestment and share purchase plan shareholder quarterly dividends are automatically invested in additional common shares at a five per cent discount from market value without brokerage fees, commissions or service charges. The plan also includes an option to purchase additional common shares, with cash, at each individual payment date. While there's not a discount on these shares there is still no brokerage.

REPORT THEME
FOCUS ON TECHNOLOGY

In 1964 Canada Trust installed its first computer. Twenty years later electronic technology has impact on virtually every aspect of operations. It improves productivity, enhances decision-making, collapses communication time and broadens capacity to offer new products and provide higher quality, lower cost service. Canada Trust is at the forefront of electronic evolution. This year's annual report highlights many benefits of the new technologies.

DIRECTORS

After each name, age and number of years service as a director are shown. Average age is 58 and average service 10 years.

J.W. ADAMS (60-4)
London
Chairman, Emco Limited

A.E. BARRON (66-24)
Toronto
Vice-Chairman, Canadian General Investments Limited

MRS. SONJA I. BATA (58-2)
Don Mills
Director, Bata Limited

RUDOLPH P. BRATTY (52-8)
Toronto
Barrister and Solicitor

JOHN B. CRONYN (64-13)
London
Corporate Director and Consultant

FREDERICK W. DAKIN (59-10)
Hamilton
President and Chief Executive Officer
The G.W. Robinson Company Limited

G.H. DOBBIE (66-35)
Cambridge
Chairman, Glenelg Textiles Limited

ERIC F. FINDLAY (58-8)
Toronto
Chairman and Chief Executive Officer, Silcorp Limited

REFORD GARDHOUSE (68-7)
Milton
Corporate Director

BERNARD I. GHERT (45-1)
Toronto
President and Chief Executive Officer
The Cadillac Fairview Corporation Limited

D. MICHAEL M. GOLDIE (60-1)
Vancouver
Barrister and Solicitor

WILLIAM D. GRACE (49-3)
Edmonton
Senior Vice-President, Finance
Canadian Utilities Limited

W. HOWARD HEMPHILL (68-18)
Stratford
Chairman, Krug Furniture Inc.

J.T. HILL (52-3)
Kitchener
President and General Manager
Economical Mutual Insurance Company

MRS. BERYL M. IVEY (60-4)
London
Vice-President and Director
The Richard Ivey Foundation

E.S. JACKSON (62-2)
Toronto
President, The Manufacturers Life Insurance Company

M.L. LAHN (51-7)
London
President and Chief Executive Officer
Canada Trustco

TOM LAWSON (69-29)
London
Honorary Chairman
Lawson & Jones Limited

F.T. METCALF (63-5)
Puslinch
Chairman, Maclean Hunter Cable TV

ARTHUR H. MINGAY (65-21)
Toronto
Chairman of the Board and the Executive Committee, Canada Trustco

KENNETH G. MURRAY (60-9)
Kitchener
President, J.M. Schneider Inc.

JOHN H. PANABAKER (56-6)
Waterloo
Chairman, The Mutual Life Assurance Company of Canada

D.H. PARKINSON (59-5)
Vancouver
Senior Vice-President and Chief Financial Officer, Westcoast Transmission Company Limited

W.J. STENASON (54-13)
Calgary
Corporate Director and Consultant

R.W. STEVENS (58-15)
Toronto
Barrister and Solicitor

J.D. STEVENSON (55-14)
Toronto
Barrister and Solicitor

PETER G. WHITE (45-1)
London
President and Chief Executive Officer
The Blackburn Group Inc.

EXECUTIVE COMMITTEE

A.H. Mingay, *Chairman*
J.W. Adams
R.P. Bratty
J.B. Cronyn
F.W. Dakin
E.S. Jackson
M.L. Lahn
J.H. Panabaker
W.J. Stenason

NOMINATING COMMITTEE

W.J. Stenason, *Chairman*
J.W. Adams
R.P. Bratty
J.B. Cronyn
F.W. Dakin
E.S. Jackson
J.H. Panabaker

AUDIT COMMITTEE

J.W. Adams, *Chairman*
R.P. Bratty
F.W. Dakin
R.W. Gardhouse
J.T. Hill
E.S. Jackson

COMPENSATION/HUMAN RESOURCES COMMITTEE

F.T. Metcalf, *Chairman*
J.B. Cronyn
W.D. Grace
J.H. Panabaker
W.J. Stenason
R.W. Stevens
J.D. Stevenson

HONORARY DIRECTORS

Honorary directors neither attend meetings of the board, nor receive remuneration.

J.A. TAYLOR, *Honorary Chairman*
W.A. BEAN
W.J. BEATTY
HENRY BORDEN
C.W. BRAZIER
HUGH CAMPBELL
J.V. CLYNE
T. EDMONDSON
W.W. FOOT
I.E. HOUSER
K.R. MacGREGOR
O.E. MANNING
C.A. MARTIN
H.S. MATTHEWS
H.L. McCULLOCH
D. McINTOSH
M.C.G. MEIGHEN
L. RASMINSKY
G.E. ROBERTSON
E.G. SCHAFER
G.E. SHARPE
W.H. SPRAGUE
H.R. STEPHEN
J.J. STUART
NOAH TORNO
A.S. UPTON
A.E. WALFORD
J.D. WILSON
R.B. WILSON

BOARD COMMITTEES

The Nominating Committee, under company by-laws, consists of all members of the Executive Committee other than active or retired employees. The Committee makes recommendations to the board on the names of persons to be nominated as directors of the company at the annual general meeting of shareholders; the directors who shall serve as chairman and members of board committees; and the directors' annual remuneration.

Directors annually appoint three committees from their members.

The Executive Committee conducts business between board meetings, exercising the same powers, authorities and discretions except where restricted by board regulations or statute.

The Audit Committee approves annual statement format, meets with internal auditors and external shareholders' auditors and recommends financial statements to the board for approval.

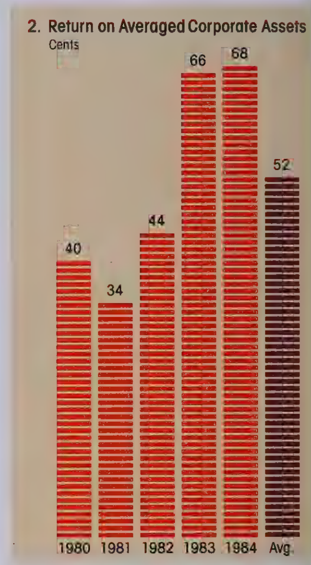
The Compensation/Human Resources Committee reviews policy on compensation and benefits, approves executive and senior management salaries, benefits and bonuses, if any, and evaluates executive and senior management performance and resources.

PERFORMANCE AGAINST OBJECTIVES

Several key objectives for 1984 were noted in the 1983 report. Following is a comparison of performance against each of these objectives.

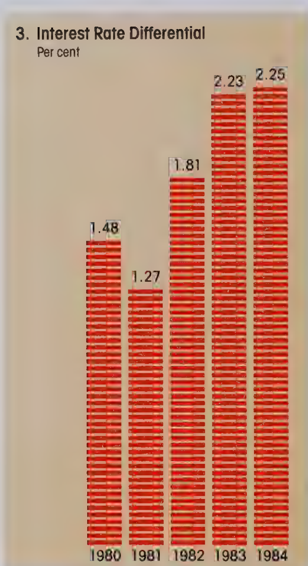
OBJECTIVE 1
Achieve an after-tax return of 15% on common shareholders' averaged equity – fully diluted over the last five years.

Performance: Averaged 14.5% over the 1980 to 1984 period and was 17.0% for 1984.



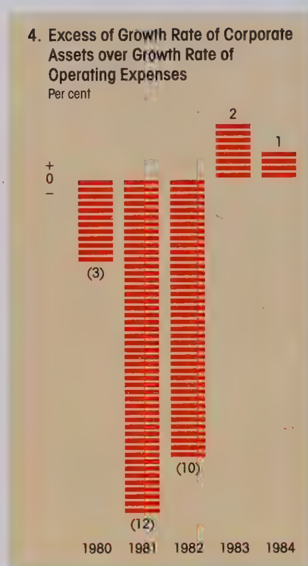
OBJECTIVE 2
Achieve an after-tax return of 65¢ per $100 on averaged corporate assets over the last five years.

Performance: Averaged 52¢ over the 1980 to 1984 period and was 68¢ for 1984.



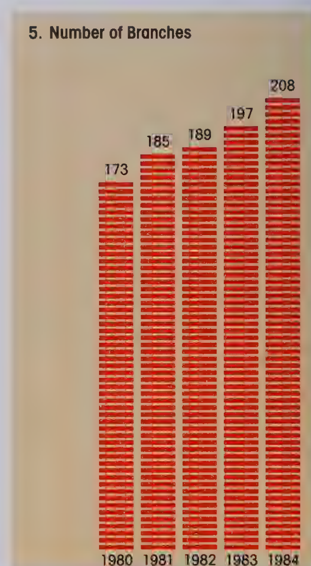
OBJECTIVE 3
Achieve a differential between return on investments and cost of deposits of 2.35% or greater on a taxable equivalent basis, up from 2.23% in 1983.

Performance: 2.25%.



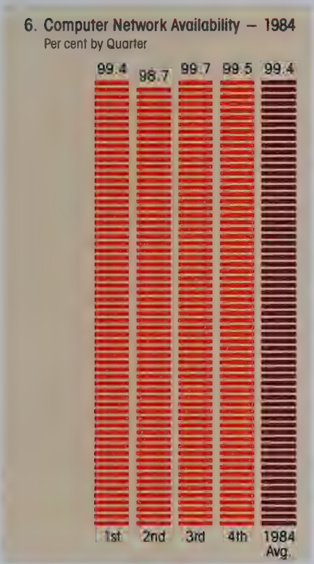
OBJECTIVE 4
Increase in operating expenses over 1983 will be contained to a percentage no greater than the rate of growth in corporate assets.

Performance: Corporate asset growth was 1% greater than operating expense growth.



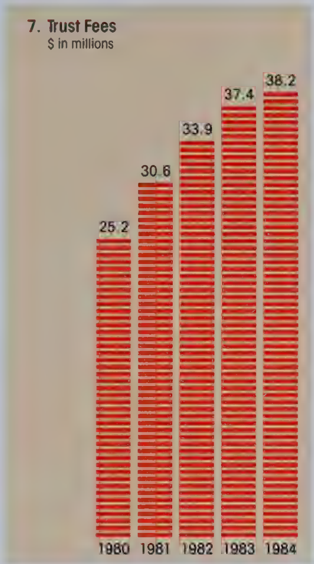
OBJECTIVE 5
Increase the number of financial services branches by no less than ten from 197 to 207.

Performance: Eleven branches opened.



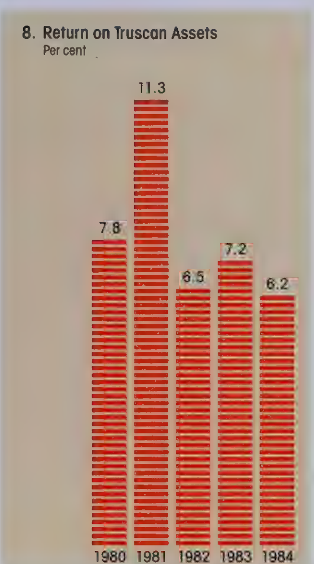
OBJECTIVE 6
Provide a sustained high level of customer service by averaging 99% network computer availability during the year.

Performance: Averaged 99.4%.



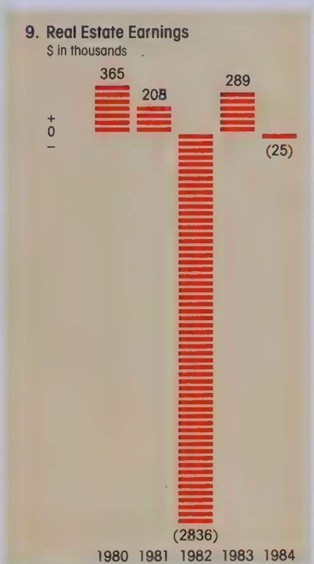
OBJECTIVE 7
Personal, pension and corporate trust fees will exceed $41.1 million, a 10% increase over $37.4 million in 1983.

Performance: Increased 2% to $38.2 million.



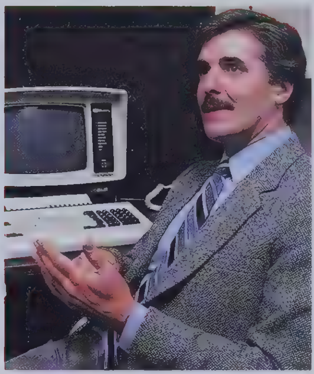
OBJECTIVE 8
Pre-tax return on assets in Truscan Realty Limited will be 9% or greater compared with 7.2% in 1983.

Performance: 6.2%.



OBJECTIVE 9
Generate pre-tax earnings of $1 million or greater from real estate sales compared with $0.3 million in 1983.

Performance: $25,000 loss.



“A management electronic network plays an active support role in decision-making.”

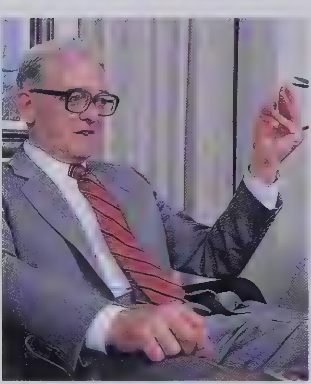
Mark Grimes
Data Resources

“Electronic document printers make it possible to issue investment certificates immediately on purchase.”

Nancy McCreary
Kitchener
Fairview Park Mall

1985 OBJECTIVES

“Electronic transfer of securities significantly eliminates paper processing.”
Sadie Abbott
Calgary
3rd Street at 5th S.W.



“Clients can now monitor their pension fund on in-house computer terminals.”
Peter Hodgson
Toronto
Yonge at Adelaide

Stated here are several key objectives for the year ahead. Comparison of performance achieved will appear in the 1985 report.

OBJECTIVE ONE
Return on equity
Achieve an after-tax return of 18% on common shareholders' averaged equity – fully diluted in 1985 and 15% over the last five years.

OBJECTIVE TWO
Return on corporate assets
Achieve an after-tax return of 65¢ per $100 on averaged corporate assets over the last five years.

OBJECTIVE THREE
Net investment income
Achieve a minimum taxable equivalent net investment income of $305 million, up 7% from $284 million in 1984.

OBJECTIVE FOUR
Operating expenses
Reduce ratio of operating expenses to averaged corporate assets to 1.85% from 1.93% in 1984.

OBJECTIVE FIVE
Branch expansion
Increase financial services branch network by no less than 12 from 208 to 220.

OBJECTIVE SIX
Deposit growth
Increase savings deposits as a percentage of chartered bank personal savings to 9.5% from 9.1% at year-end 1984.

OBJECTIVE SEVEN
Electronic banking machines
Increase number of JohnnyCash cardholders by 120,000, up 80% from December 31, 1984.

OBJECTIVE EIGHT
Customer service
Provide a sustained high level of customer service by averaging 99% network computer availability.

OBJECTIVE NINE
Loans to individuals
Obtain $1.75 billion in new retail mortgages, consumer and collateral loans, an increase of 24% from 1984.

OBJECTIVE TEN
Trust fees
Generate new business in personal, pension and corporate trust having first year fees of $3 million, up 12% from 1984.

SIMPLIFIED FINANCIAL STATEMENTS

OPERATIONS FOR YEAR ENDED DECEMBER 31

	1984	1983	% Increase (Decrease)
HOW INCOME WAS EARNED			
The most significant segment of operations is investing depositors' and shareholders' funds in income producing assets. Gross investment income was	$ 1,225,078,000	$ 1,073,486,000	14
Most of this income was paid to depositors as interest on savings accounts, certificates of deposit, investment certificates and other types of investments. Some was paid to noteholders as interest and some was set aside to provide for possible investment losses	1,012,440,000	876,097,000	16
After provision for possible investment losses net investment income was	212,638,000	197,389,000	8
Fees and net commissions earned			
from trust operations	38,184,000	37,416,000	2
from service charges of all types, including credit cards	37,151,000	30,989,000	20
from selling real estate	10,855,000	10,677,000	2
Other sources of income	2,713,000	2,221,000	22
Total income earned	$ 301,541,000	$ 278,692,000	8
HOW INCOME WAS USED			
A major portion of income was paid as salaries and benefits to employees	$ 115,388,000	$ 103,124,000	12
Cost of operating branches and offices, including maintenance	27,021,000	23,157,000	17
Computer support systems are vital to operations and were a significant cost	24,045,000	19,517,000	23
All other costs including communications, stationery, advertising, provincial taxes on capital and deposit insurance	44,985,000	38,995,000	15
Income taxes	15,951,000	30,068,000	(47)
Dividends to shareholders	28,310,000	24,851,000	14
Earnings retained to finance future growth	45,841,000	38,980,000	18
Total income used	$ 301,541,000	$ 278,692,000	8

POSITION AT YEAR-END

	1984	1983	% Increase (Decrease)
WHERE MONEY TO INVEST WAS OBTAINED			
Shareholders provide the investment necessary to finance current operations and future growth. As well, shareholders' funds provide additional security for depositors. Shareholders' funds were	$ 424,282,000	$ 442,547,000	(4)
Depositors' funds were	11,144,049,000	9,663,361,000	15
Other liabilities were	181,662,000	76,150,000	139
Total money obtained	$11,749,993,000	$10,182,058,000	15
WHERE MONEY WAS INVESTED			
Some investments are held in liquid form to meet deposit withdrawals and maturities and to fund investments and other contractual commitments	$ 2,301,385,000	$ 2,028,921,000	13
Most investments are loans, such as mortgages, corporate and personal loans	7,461,492,000	6,636,803,000	12
All other investments, principally securities, including properties owned by Truscan, the real estate investment subsidiary	1,909,065,000	1,455,271,000	31
Land, premises and equipment owned and used in operations	78,051,000	61,063,000	28
Total money invested	$11,749,993,000	$10,182,058,000	15

TEN YEAR RECORD

	Compound Growth Rate % Increase (Decrease) 10 Year	5 Year	1984	1983	1982
For the year (in thousands)					
Investment income – taxable equivalent basis	21.5	15.8	$ 1,283,739	$ 1,108,166	$ 1,241,787
Interest on deposits and notes and provision for possible investment losses	21.2	14.6	1,012,440	876,097	1,058,952
Net investment income after provision for possible investment losses – taxable equivalent basis	22.5	21.1	271,299	232,069	182,835
Fees and net commissions	15.8	18.6	86,190	79,082	66,403
Other income	20.3	10.1	2,713	2,221	2,321
Earnings before operating expenses	20.5	20.4	360,202	313,372	251,559
Operating expenses					
Salaries and benefits	17.3	16.2	115,388	103,124	98,268
Other	21.5	19.6	95,862	81,524	72,141
	19.0	17.6	211,250	184,648	170,409
Earnings before income taxes	22.9	25.0	148,952	128,724	81,150
Income taxes – taxable equivalent basis	22.3	25.1	74,612	64,748	40,843
Net earnings	23.5	24.9	$ 74,340	$ 63,976	$ 40,307
At year-end (in thousands)					
Assets under administration	18.1	16.2	$25,136,000	$20,959,000	$18,212,000
Personal, pension and pooled trust funds	18.0	19.7	13,386,000	10,777,000	8,970,000
Deposits	18.1	12.8	11,144,000	9,663,000	8,825,000
Loans	14.9	8.0	7,461,000	6,637,000	6,170,000
Shareholders' equity	16.9	11.4	424,000	443,000	363,000
Net earnings ratios to averaged					
Assets	4.4	10.1	.68%	.66%	.44%
Common shareholders' equity – fully diluted	4.3	8.1	17.0%	16.8%	12.7%
Per common share					
Net earnings					
Basic	14.4	18.7	$ 3.11	$ 2.70	$ 1.71
Fully diluted	13.2	17.2	2.81	2.40	1.61
Dividends paid	3.7	2.6	.865	.76	.76
Shareholders' equity – fully diluted	9.0	9.0	17.21	15.34	13.15
Market price					
High	7.2	18.2	31¾	24	17¼
Low	9.2	12.6	19¼	15	9⅛
December 31	10.4	22.9	31½	22⅝	17
Price-earnings multiple – fully diluted, December 31	(2.6)	4.7	11.2	9.4	10.6
Price-equity multiple – fully diluted, December 31	1.2	12.5	1.8	1.5	1.3
Statistical data at year-end					
Number of shares outstanding					
Preference	15.2	(14.6)	1,750,000	5,500,000	5,650,000
Common	7.1	6.9	21,877,376	21,137,098	18,966,038
Number of shareholders	3.9	(1.5)	6,734	6,484	6,511
Trading volume during the year					
Preference		(27.4)	328,000	2,614,000	617,000
Common	24.3	15.9	5,664,000	4,244,000	5,022,000
Warrants		322.0	1,339,000	1,407,000	1,079,000
Number of financial services branches	8.6	5.1	208	197	189
Number of full-time equivalent employees	8.4	7.0	5,198	4,863	4,549
Number of real estate offices	4.1	1.8	69	79	84
Number of real estate sales representatives	11.7	12.2	1,108	1,251	1,219

All common share figures reflect the two-for-one share split on March 26, 1984.
Investment income and income taxes have been adjusted to a taxable equivalent basis to recognize income taxes otherwise attributable to tax exempt dividends from stocks and interest from income debentures.

1981	1980	1979 Base Year	1978	1977	1976	1975	1974 Base Year
$ 1,159,358	$ 809,394	$ 615,460	$ 485,587	$ 406,646	$ 299,942	$ 225,396	$ 183,736
1,021,682	684,700	511,345	375,490	309,612	237,362	175,545	148,038
137,676	124,694	104,115	110,097	97,034	62,580	49,851	35,698
58,104	43,927	36,763	32,509	28,731	24,020	22,929	19,871
5,236	2,065	1,677	736	792	913	511	427
201,016	170,686	142,555	143,342	126,557	87,513	73,291	55,996
83,845	66,055	54,547	47,305	42,382	33,610	27,833	23,387
61,186	48,760	39,237	33,168	27,978	20,473	16,607	13,636
145,031	114,815	93,784	80,473	70,360	54,083	44,440	37,023
55,985	55,871	48,771	62,869	56,197	33,430	28,851	18,973
27,301	27,680	24,349	30,985	26,211	15,727	14,772	9,944
$ 28,684	$ 28,191	$ 24,422	$ 31,884	$ 29,986	$ 17,703	$ 14,079	$ 9,029
$16,790,000	$14,299,000	$11,840,000	$9,484,000	$7,860,000	$6,891,000	$5,563,000	$4,771,000
8,146,000	6,694,000	5,438,000	4,333,000	3,460,000	3,189,000	2,937,000	2,547,000
8,269,000	7,290,000	6,103,000	4,884,000	4,163,000	3,524,000	2,483,000	2,111,000
6,372,000	5,832,000	5,072,000	4,022,000	3,393,000	2,974,000	2,151,000	1,868,000
315,000	256,000	247,000	222,000	189,000	147,000	121,000	89,000
.34%	.40%	.42%	.67%	.74%	.60%	.58%	.44%
10.5%	12.0%	11.5%	17.6%	19.1%	14.2%	13.1%	11.2%
$ 1.31	$ 1.41	$ 1.32	$ 1.94	$ 1.88	$ 1.29	$ 1.09	$ .81
1.27	1.36	1.27	1.81	1.75	1.24	1.07	.81
.76	.76	.76	.67	.65	.60	.60	.60
12.35	11.74	11.18	10.77	9.70	8.65	8.53	7.27
17	14⅜	13¾	14½	14½	13¼	13½	15⅞
12⅝	9	10⅝	11¼	10⅜	9⅜	11	8
14½	13¼	11¼	11⅞	14½	10½	12¼	11¾
11.5	9.7	8.9	6.6	8.3	8.5	11.4	14.6
1.2	1.1	1.0	1.1	1.5	1.2	1.4	1.6
5,237,356	3,712,095	3,844,028	3,868,436	3,118,496	1,881,437	1,880,280	425,000
17,140,588	15,735,540	15,659,222	13,977,942	13,977,526	13,977,326	11,042,176	11,042,176
6,312	6,930	7,263	7,241	7,252	7,401	6,309	4,612
968,000	563,000	1,630,000	347,000	450,000	215,000	263,000	
2,522,000	3,592,000	2,704,000	1,392,000	1,164,000	804,000	886,000	642,000
26,000	10,000	1,000	17,000	44,000			
185	173	162	150	136	123	93	91
4,676	4,282	3,705	3,227	2,921	2,615	2,332	2,321
71	66	63	53	58	56	48	46
774	708	623	531	594	578	460	368

REPORT TO SHAREHOLDERS

"Management review of corporate loans is made more efficient by the internal electronic network."
Elsie Burman
Corporate Loans

"Electronic credit scoring of loan applications accelerates the approval process."
Fred Kush
Loans Services

DIRECTORATE

At the shareholders' meeting on February 21, 1984 D. Michael M. Goldie, member of a Vancouver law firm, and Peter G. White, London, President and Chief Executive Officer, The Blackburn Group Inc., were elected directors.

The resignation of Carl O. Nickle, Calgary was accepted in September. Mr. Nickle had served as a director for 15 years and his counsel will be missed. Bernard I. Ghert, Toronto, President and Chief Executive Officer, The Cadillac Fairview Corporation Limited, was appointed a director on September 25, 1984.

During the year the death of John W. Scott, an honorary director, was recorded with deep regret.

LEGISLATION

Yet another year has passed without concrete government action respecting long overdue and sorely required revision of federal legislation governing loan and trust companies. Meanwhile, ability to adapt to changing realities of the marketplace is limited.

The private sector committee established over one year ago to advise the federal minister of finance on required legislative and regulatory changes for the financial services industry languishes far beyond its deadline, after abdicating its responsibilities to the finance department. An Ontario task force on financial institutions conducts still another series of hearings in the aftermath of the disastrous collapse of several Ontario government regulated financial intermediaries, thus ensuring no timely action. Countless conferences and seminars have been held; numerous erudite speeches delivered; industry position papers abound; media coverage of proposed financial supermarkets has been lavish to the point of tedium – but no necessary government initiatives have been undertaken.

A quotation from last year's annual report is worth repetition. "All in all this whole legislative picture is a sad commentary on government lethargy and political expediency at both federal and provincial levels. A balanced approach to revisions of legislation is essential during a period when deregulation in an orderly fashion is necessary for the financial services industry to evolve in the public interest."

For its part, Canada Trustco would welcome relaxation of the present strictures on the services which financial institutions may provide. We do not fear competition – we welcome it. In the end analysis, the consumer is the beneficiary. The oft quoted concern regarding conflict containment in a deregulated financial services industry is usually a red herring proffered in the self interest of restraining competition. Conflict situations between services therein are manageable as witnessed by the successful open financial systems of most other western countries. Canada Trustco has long been a proponent of granting banks trust powers. This would permit trust companies to convert to chartered bank status without forsaking the trust field which they have served so well and so long.

However, Canada Trustco would not seek to be all things to all people in a partially or fully deregulated financial services industry. We are not sufficiently wise or egotistical to believe that all financial skills can be embodied in one institution. Rather, we would seek niches which would logically and profitably complement present services to individuals and corporations. It is a moot point, and only time will tell, whether significant numbers of consumers want financial supermarkets as distinct from boutiques.

In whatever manner the further blurring of the so called "four pillars" evolves, it is amply evident that Canada Trustco, to the extent deemed appropriate, has the financial strength and management capabilities to participate in the best interests of shareholders, customers, employees and the public alike.

ACKNOWLEDGMENT

The results of 1984 were achieved thanks to successful efforts of an energetic and highly capable staff who stand the company in good stead for the challenging years ahead. Directors, in their own right, and on behalf of shareholders, express warm gratitude to each employee for the many accomplishments of the past year.

EARNINGS

Net earnings at $74.3 million increased 16% over $64.0 million in 1983. After dividends attributed to preference shares, basic net earnings per common share on the weighted average number outstanding were $3.11 compared with $2.70 in 1983. On a weighted average and fully diluted basis net earnings per common share were $2.81, up 17% from $2.40 in 1983.

Final quarter 1984 results reported on page 45 established, by comfortable margin, an historic high. Net earnings were $20.9 million, up 9% from $19.2 million earned in the third quarter and up 9% from $19.2 million earned in fourth quarter 1983. On a fully diluted basis, per common share net earnings were 83¢, up 17% from 71¢ in the final quarter a year ago.

Expressed as an annualized return on averaged corporate assets, 1984 net earnings represented 68¢ per $100 compared with 66¢ in 1983 and 53¢ for the five major chartered banks in fiscal 1984. Annualized return on common shareholders' averaged equity – fully diluted was 17.02% compared with 16.83% one year earlier. This measurement was 14.21% and 15.81% for fiscal 1984 and 1983 respectively for the five largest Canadian banks.

Contribution to net earnings by business segment is reported in note 12. Intermediary contribution was 95% of total versus 95% in 1983, fiduciary, 5% versus 5% and real estate sales, zero in both years.

Intermediary segment net earnings contribution at $70.6 million was up 17% from $60.4 million in 1983. The improvement was due almost entirely to volume increases in that interest rate differential on a taxable equivalent basis was little changed at 2.25% compared with 2.23% in 1983. The stability in differential, despite continued volatility in interest rates, testifies to the wisdom of an essentially matched interest rate sensitivity position in both years. A thorough review of this aspect of operations is contained on pages 34 to 37.

Fiduciary segment net earnings contribution at $3.8 million compared with $3.4 million in 1983. As discussed elsewhere in this report, sluggish growth in fee revenue and heavy expenditure on system enhancements constrained earnings. Trust services business development results were excellent and improved fiduciary segment earnings are in prospect for 1985 and beyond.

Real estate sales segment had negligible impact on overall results. A significant contribution is expected from this division in 1985.

The effective rate of income taxes provided in the consolidated statement of earnings was 17.7% compared to 32.0% in 1983. Note nine on page 30 includes a reconciliation of statutory and effective rates. The major reason for the decline in effective rate was an increase in tax exempt income, largely from greater holdings of retractable preference shares.

During 1984, addition to the allowance for possible investment losses charged to earnings was $12.5 million, up from $10 million in the previous year. Losses and write-downs, net of gains and recoveries, were $13.2 million after income tax effect compared with $15.3 million in 1983. As a percentage of loans outstanding this experience represented 0.21 compared with 0.30 in 1983. At year-end the allowance, as set out in note six, stood at $29.3 million versus $30.0 million one year earlier. Since the entire allowance is tax paid, it is capable of absorbing $58.6 million of pre-tax losses assuming a 50% tax rate. This provides coverage of 1.2 times non-performing investments at December 31, 1984 compared with 0.9 times one year earlier. Management believes the allowance is ample to meet possible future losses.

A major challenge to all employees is to constrain growth in operating expenses. In 1984, the ratio of the latter to averaged assets rose slightly. At 1.93% it compared with 1.91% in 1983 and 1.88% in 1982. Investment spending for future viability, particularly in the areas of new technology, systems development and branch expansion, continues heavy. However, the aforementioned relatively high expense ratios are matters of grave concern and concerted action is underway to achieve a corporate strategy to be one of the lowest cost, if not the lowest, providers of financial services in the industry. High visibility will be given to this objective in all future reporting.

During 1984, charitable contributions were $562,000, being 0.76% of net earnings, up from $462,000 or 0.72% of net earnings in 1983. A maximum level of 1.00% of current year net earnings has been established by directors as a guideline.

ASSETS UNDER ADMINISTRATION

Business volumes administered measured at book value were $25.1 billion at year-end. Corporate assets increased by $1.6 billion to $11.7 billion. Personal, pension and pooled trust funds increased by $2.6 billion to $13.4 billion. Growth rates compared with 1983 were: total assets, 20% versus 15%; corporate assets, 15% versus 10%; trust funds, 24% versus 20%.

"A payment at any branch is electronically credited that day to the customer's MasterCard account."

Kathy Duemo
St. Catharines
Grantham Plaza

"Electronics gives customers account access at any branch, as if it was their home branch."

Jim Whittaker
Saint John
King at Canterbury

CAPITAL MANAGEMENT

On July 12 $75 million series A floating rate convertible subordinated notes dated July 12, 1984 to mature July 1, 2009 were issued. Interest is payable semi-annually and the rate floats at Canada Trustco prime. Proceeds of the issue were used for general corporate purposes. The notes are convertible into floating rate cumulative redeemable preference shares series H of $20.00 par value by the company at any time and by the holder from July 1, 1989 to July 1, 2009. The notes are redeemable at the option of the company with the consent of the Superintendent of Insurance of Canada at par plus accrued interest on and after July 1, 1991.

The series H preference shares, if and when issued, will pay quarterly dividends at 70% of Canada Trustco prime rate and will be redeemable after July 1, 1991 at par plus accrued dividends with the consent of the Superintendent at the option of the company only.

During the fourth quarter, series D, E and F floating rate, cumulative, redeemable, retractable, preference shares were redeemed at par value of $20.00 per share plus accrued dividends, if any, on October 1, 1984 for series D and E and November 6, 1984 for series F. The redemption amount of $75 million eliminated equity capital deemed redundant for foreseeable needs within five years. As permanent equity capital is required in the future, the company can require holders of the $75 million series A subordinated notes to convert into a like amount of series H preference shares.

The deposit multiple of shareholders' equity, calculated in the manner prescribed by federal regulation, was 21.50 times at December 31, 1984 compared with 17.31 times one year earlier. If series A subordinated notes, which are convertible at the option of the company into a like amount of series H preference shares, were included for calculation purposes in shareholders' equity the deposit multiple at year-end was 18.41 times.

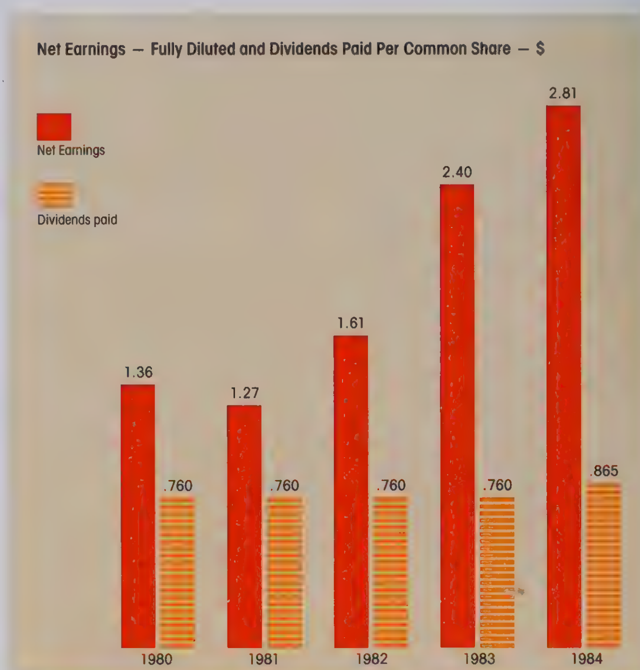
On September 25 directors declared a dividend of 25¢ per common share which was paid January 1, 1985, an increase of 25% from the previous quarterly rate of 20¢. Simultaneously, it was announced that no extra dividend will be paid on April 1, 1985. Indicated dividend payments for 1985 thus total $1.00 per common share, an increase of 16% from 86½¢ in 1984.

INTERNATIONAL

Two subsidiaries were incorporated in Barbados and became operative in late November.

Canada Trustco International Limited is a foreign loan company providing customers with an offshore facility. Additionally, future loans to foreign borrowers, if any, will be made by this subsidiary. There are no such loans at present. Foreign lending which may be considered, will be principally to United States borrowers.

CT Insurance Company Limited is a captive insurance company now sharing risk on group creditor life insurance offered to individual mortgagors. It assumed 62.5% of outstanding business by reinsuring the existing policy. Future plans include sharing of other classes of insurance now provided customers and participation in corporate risk management activities. CT Insurance will provide a value added service to our expanding customer base, while earning additional income.



FINANCIAL DISCLOSURE

The financial statements and notes thereto have been expanded to present a three year comparison which should be helpful to shareholders and other users. An additional analysis expressing net earnings as a percentage of averaged assets appears on page 33. Financial information adjusted for changing prices, which first appeared in the 1983 report, was adjudged useful by readers and has been repeated. Financial statements of the companies' pension plan have been reformatted to follow the suggestions of a Canadian Institute of Chartered Accountants' research study. An actuary's report has been included to complement the auditors' report. Suggestions are welcomed on additional meaningful information which might be included in future reports.

CORPORATE INVESTMENTS

Economic and business conditions were moderately stronger in 1984 than in 1983, but growth in deposits, in our case, exceeded demand for conventional credit by a significant degree. Competition among financial institutions for both personal and corporate loans gained momentum. On the corporate side, the increased presence of a plethora of schedule B chartered banks was felt. Downward pressure on lending rates and a softening of terms persisted. The personal lending market was marked by vigorous rate competition and new product features. Canada Trustco successfully introduced several new residential mortgage innovations and competed effectively in an aggressive market environment.

While demand for credit from corporate borrowers grew slowly, government and crown corporation credit requirements remained strong. Appetite for equity financing increased. As a result, holdings of securities representing treasury bills, bonds, debentures, stocks and "loan substitutes" increased much more than conventional loans. At year-end loans of all types were 63.5% of total assets, while securities accounted for 21.1%. A year ago loans comprised 65.2% of assets. Float and fixed rate preference shares grew 79% to $930 million. Holdings of these investments are now at current limits imposed by prudence and by credit considerations.

Lending and securities acquisition programs were directed in accordance with overall asset-liability management strategy. Control of interest rate sensitivity is of paramount importance and major investment acquisition programs are promulgated within this context.

Corporate and Financial Institutions Term Loans – Despite slow loan demand, overall lending activity was high. Gross drawdowns by borrowers of $323 million compared with $308 million during 1983. After repayments, the portfolio increased by $147 million. In 1983 the portfolio decreased by $52 million. This year's activity was unevenly spread, and funds invested in government direct and guaranteed instruments more than compensated for slow corporate demand for loans. Strategy continues to emphasize top quality clients and highly competitive pricing.

Continued strong automobile sales and stepped-up marketing efforts made exceptional growth possible in wholesale and lease financing for dealers. Sales finance operations were introduced in Pacific region and existing operations in Ontario regions were expanded. At year-end over $127 million of loans were outstanding as well as $133 million in undrawn commitments compared with $80 million and $63 million respectively at the end of 1983. Further expansion into Prairie and Atlantic regions is planned for 1985.

Commercial Mortgages – After two years of marking time due to depressed markets, this portfolio increased 10%, reaching $1.27 billion compared with $1.15 billion a year ago. Growth reflected higher loan retention at renewal, reduction in paydowns and increased volumes approved.

Lending conditions improved in all areas except Alberta and British Columbia. Applications approved totalled $391 million, up 30% from 1983. Current activity is directed towards existing properties with established cash flows and to borrowers with strong balance sheets.

"Technology provides the flexibility to customize report formats for personal trust clients."

Al Engbrecht
Vancouver, Four Bentall Centre

"Computer modelling enhances portfolio analysis and research of investment opportunities."

Susan Coleman
CT Investment Counsel

“Electronic information processing quickly authorizes credit card purchases around the world.”

Radhica Naraine
Card Services

Uncertainty and caution continues to prevail in the construction sector and, with limited building activity, lending opportunities have been restricted.

One and three month principal arrears at year-end were 3.64% and 2.80% respectively, contrasted with 3.22% and 1.92% at the end of 1983 and 4.33% and 2.30% at the end of 1982. Approximately 61% of all arrears at 1984 year-end were due to continuing difficult economic conditions in Alberta.

Residential Mortgages – Aggressive marketing programs and innovative product features resulted in significant growth. The “burn a mortgage” campaign was well received by consumers. Canada Trustco was the first major lender in North America to introduce weekly payment options and continued as an industry leader through offering flexibility in interest and principal payments. Fierce competition and continuing desire on the part of borrowers to reduce debt prevailed. After repayments, the residential mortgage portfolio increased by $382 million, compared with a net increase of $430 million in 1983 and a contraction of $397 million in 1982.

Principal amount of loans one month and three months in arrears at year-end was 1.27% and 0.46% respectively. One and three month arrears were 1.39% and 0.59% at the end of 1983, and 2.42% and 1.21% at the end of 1982.

Consumer, Personal and Collateral Loans – A buoyant automobile market, coupled with an aggressive approach to lending on readily marketable securities, resulted in the portfolio growing 24% to $697 million. This compared with 16% and $564 million in 1983.

Planned new products and enhancement of existing offerings will be linked with extremely competitive pricing and innovative marketing in 1985 to further fuel significant portfolio growth.

Non-Performing Investments – In 1984, standards used to classify investments as non-performing were revised. All conventional mortgages, consumer, personal and collateral loans are now classified as non-performing when interest or principal payments are 90 days in arrears. Previously, these mortgages and loans had been classified as non-performing when payments had not been received for six months. Corporate loans continue to be classified as non-performing when contractual payments have not been received for 30 days. In addition, management will classify any investment as non-performing if there is evidence of deterioration in the financial condition of the issuer.

Note five to the financial statements on page 29 sets out details of non-performing investments. Amounts for prior years have been reclassified to current basis. The impact was to more than double the amount of conventional mortgages deemed non-performing. The new basis increased the amount of non-performing investments before allocation of applicable portion of allowance for possible investment losses for 1983 by 57% to $65.5 million from $41.6 million, and for 1982 by 83% to $81.1 million from $44.3 million.

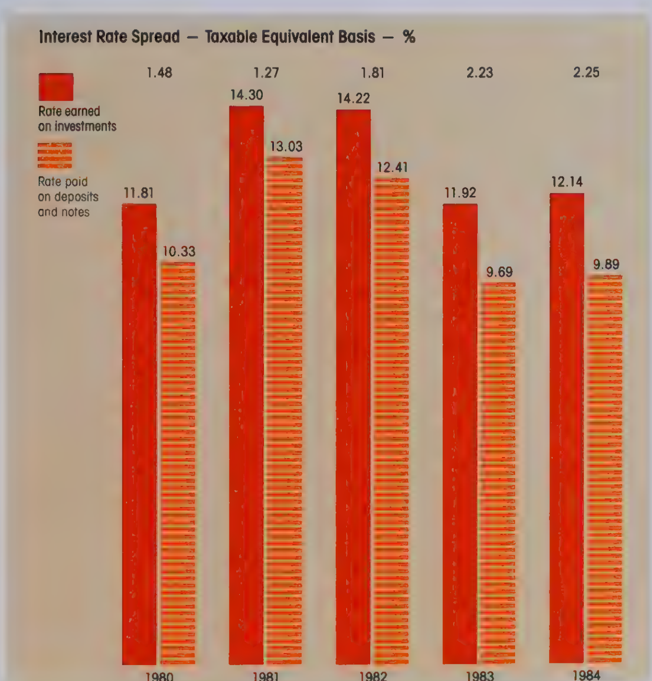
Non-performing investments at year-end were $40.4 million, an overall decrease of 29% from reclassified 1983 levels. There were $7.1 million of corporate term loans in this category compared with $12.5 million a year ago. One loan of $2.1 million was classified as non-performing during the year. Net write-downs of corporate term loans amounted to $6.7 million. Reflecting continued poor real estate market conditions in Alberta, real estate acquired in settlement of loans rose sharply reaching $17.5 million compared to $9.9 million in 1983. Of the 1984 amount, $15.4 million or 88% was situated in Alberta.

Policy requires immediate action in recognizing any deterioration in the credit status of corporate investments, and writing down the value of loans and other securities on what is considered to be a conservative basis by industry standards. Management thus believes that investments classified as non-performing amply reflect current and possible problems. Experience indicates that a substantial portion of investments classified as non-performing is eventually realized without significant loss.

TRUST INVESTMENTS
While Canada experienced a second year of economic recovery, the growth rate fell short of United States performance. Merchandise exports posted a strong advance as a result of impressive growth in the United States. However, domestic demand lagged behind as a result of the rebound in interest rates in spring and summer. Higher interest rates produced a sharp decline in housing starts and business inventory accumulation eased. Consumer spending grew at a modest rate.

Employment continued to grow, but the quarterly rate of advance showed a marked slowing. Stronger labour force growth pushed the unemployment rate above its year-end 1983 level into the 11% range. Corporate profits also showed a decelerating trend and debt to equity ratios did not improve as much as in the United States. Capital spending exhibited a small advance as businessmen were more cautious than normal for a second year of economic recovery.

Volatility was the key word to describe North American equity markets. As the disinflation scenario gained credibility throughout the year, a two-tiered stock market developed. Well managed companies with strong financial fundamentals coupled with demonstrated ability to control costs attracted market premiums. Added emphasis has been placed on increasing the holding of such stocks in fiduciary portfolios.



Long corporate bond yields did not show a continuation of the stability which characterized 1983 and rose from the 12% level to over 14% in the second quarter before declining in the fall. The outlook for interest rates has improved recently because of growing evidence of continuation of low and stable inflation rates. However, the likelihood of continuing large United States and Canadian budgetary deficits next year could limit further declines.

CT INVESTMENT COUNSEL INC.
Competition continues to escalate in the pension investment management industry and a new subsidiary, CT Investment Counsel Inc., is now in place to meet this challenge. This subsidiary will increase marketing effectiveness and offer ownership incentives to attract and retain highly qualified investment professionals.

PROPERTY INVESTMENTS
Real Estate Investments – Net income from real estate investment properties, after a $3.0 million write-down of properties held for development and resale, decreased 8% to $9.6 million from $10.4 million in 1983.

The portfolio grew 12% to $208 million from one year earlier with a preponderance of the increase occurring in major Ontario cities. In excess of 3.3 million square feet of space is owned, diversified both by use and geography, with $81 million in office buildings, $78 million in shopping centres and $49 million in properties held for development and resale.

Emphasis continued to be placed on building operating efficiency, cost control and leasing of unoccupied space. Vacancies at year-end totalled 222,000 square feet or 6.6% of rentable footage including share in joint venture projects.

"JohnnyCash electronic money machines provide all day, every day, account access."

Wendy Griffith
Burlington, Brant at Caroline

"Tying into a global investment network saves time on foreign transactions for pension funds."

Phil Stumpf
Pension Trust Services

"Sophisticated electronic support helps ensure timely availability of quarterly and annual results."

Jim Kehoe
Comptrollers

Investment properties were independently appraised as of September 30, 1984. Estimated market values totalling $263 million exceeded depreciated values by $55 million compared with $50 million at September 30, 1983. Detail appears on page 43.

On October 1 Canada Trust announced that it will be a tenant in BCE Place, a major downtown Toronto project to be undertaken jointly by Bell Canada Enterprises Inc. and Oxford Development Group Ltd. Canada Trust will have a 20% equity position in the first phase which will be the Canada Trust Tower having some 800,000 to 1,000,000 square feet of floor space.

The building will be located on Bay at Front Street across from Royal Bank Plaza with occupancy planned for mid to late 1988. Canada Trust will lease 200,000 square feet including a 16,500 square foot financial services branch on the main floor. Executive offices, Metropolitan Toronto regional offices and Toronto main branch operations now located in the Canada Trust building, Yonge at Adelaide, will move to the new tower. Ownership of the present premises will be retained and the existing financial services branch will continue to operate there.

Canada Trustco's head office will remain in London, Ontario.

Branches and Premises – Eleven new financial services branches were opened, bringing the total to 208. Nine were opened in existing markets – Regina Albert North across from Northgate Mall in Saskatchewan, London Wellington at Base Line, Hamilton Mohawk at Magnolia, Toronto Bloor at Jopling, Toronto Dundas between University and Spadina, Toronto Avenue Road south of Fairlawn, Toronto Kingston Road east of McCowan, Toronto Islington at Rathburn and Ottawa Pretoria Bridge at The Driveway in Ontario.

Two branches were opened in new Ontario markets – Markham McCowan at Highway 7 and Collingwood Hurontario beside the Town Hall.

Toronto Finch east of Bayview and Moose Jaw Main at Fairford were relocated in new leased premises and Guelph Scottsdale at Janefield relocated in a new owned building. Major renovations were completed at Richmond No. 3 Road at Cook, St. Thomas Talbot at Elgin, St. Thomas Elgin Mall, Sarnia Lambton Mall Road, St. Catharines Grantham Plaza, Milton Main at Charles, Toronto St. Clair at Yonge, Barrie Dunlop at Memorial, Kirkland Lake 51 Government Road W., Ottawa Westgate Shopping Centre and Ottawa Bank at Heron.

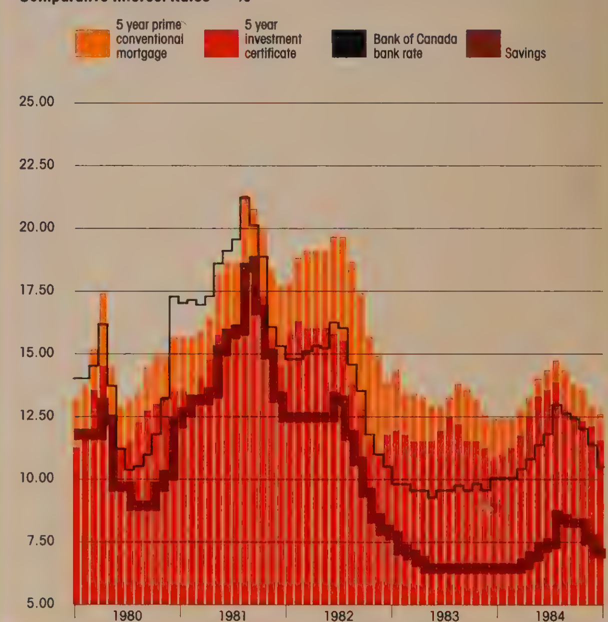
Substantial alterations were also completed in 39 existing Ontario branches where JohnnyCash money machines were installed. This resulted in extensive refurbishments at Kitchener King at Water, Waterloo Erb at King, Burlington Brant at Caroline, Burlington Plains Road at King and Burlington Guelph Line at Upper Middle.

REAL ESTATE SALES

Overall results were unsatisfactory due entirely to pre-tax losses incurred in the Pacific and Prairie regions of $778,000 and $857,000 respectively. Ontario regions enjoyed a good year producing pre-tax earnings of $1,610,000. Division net loss of $12,000 compared with net earnings of $143,000 in 1983. Gross commissions of $40 million were 6% behind 1983. Earned by regions they were: Ontario 70%, Prairie 25% and Pacific 5%.

During the fourth quarter, real estate sales activities were discontinued in the Pacific region and a rationalization program commenced in the Prairie regions. All costs resulting from these decisions were absorbed in the quarter. Concentrating sales activities in Ontario and on a reduced scale in the Prairies should produce dramatically improved results in 1985.

Comparative Interest Rates – %



Twelve offices were closed, two opened and six relocated. At year-end real estate services were offered at 63 residential offices and six industrial, commercial and investment offices compared with 71 and eight respectively at December 31, 1983. The sales force was 1,108, down from 1,251 at the end of 1983.

The objective to earn a 30% pre-tax return on capital employed in the division should be achieved in 1985.

SAVINGS SERVICES

Demand deposits increased $589 million or 14% compared with $577 million or 16% in 1983.

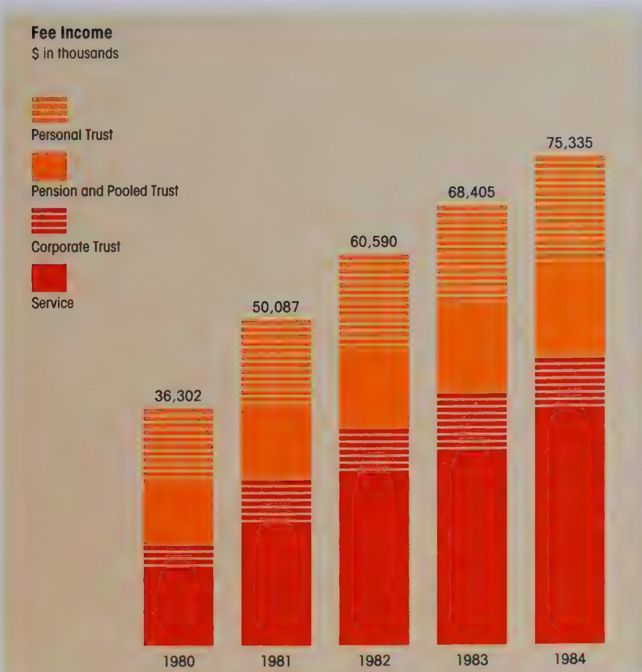
Two new accounts were accorded an outstanding reception. Launched in March, SuperRate, a savings and chequing account paying a premium rate for each daily balance in excess of $3,000, has become the most popular savings vehicle offered. Although competitors soon followed with similar accounts, SuperRate continues to gain market share. Since introduction in September, United States dollar SuperRate has exhibited strong growth.

A fifth successive spring savings campaign was by far the most successful. Customers were given an opportunity to win one of 15 new automobiles for each $200 deposit. "Honey" the teddy bear campaign mascot was a sell-out!

Results exceeded objectives in the fall savings campaign. For each $200 deposit Ontario customers received one opportunity to win an $85,000 vacation home in Florida.

Canada savings bond sales benefited from introduction of "dial a bond" service. Sales of $500 million represented a market share of 4.43% compared to 4.38% in 1983.

Term deposits increased 17% compared to 11% in 1983. Cashable term deposits increased 9% compared to a decline of 26% in the previous year.



To further improve customer service and reduce paper flow, document printers were installed in all branches. Term certificates can now be issued immediately at the time of purchase.

Retirement savings deposits total $2.9 billion having increased $367 million or 15% compared to $391 million or 19% in 1983. Number of customers increased 8% over 1983 and now total over 275,000.

Extended hour "8 to 8" service provides customers a minimum 68 banking hours each week at 156 of 208 financial services branches or 75% compared to 140 of 197 or 71% at year-end 1983.

CARD SERVICES

In August, a separate division was established to co-ordinate future direction of plastic cards and electronic funds transfer systems. Card services encompasses retail and merchant MasterCard, JCB which is the leading credit card in Japan, JohnnyCash money machines and national clearing systems.

As the decade progresses, the majority of electronic funds transfers will probably be card-activated. Systems which support card services functional areas are similar and integration will achieve highly effective and unified planning.

Credit cards achieved profitability in 1984, ending the year with pre-tax earnings of $676,000 compared to a pre-tax loss of $1.3 million in 1983. The outlook for 1985 is for continued improvement.

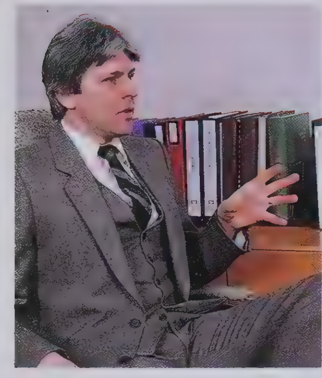
Components of positive performance were aggressive card repricing strategies, success of the merchant program and development of new products and features to better absorb existing overheads.

"Computer control of lighting and internal climate results in significant cost savings."

John Trothen
Truscan Realty

"Today's volume of daily interest calculations would be impossible to handle without the computer."

Vicki Burnett
Demand Savings



“Technologies rapidly authorize credit card cash advances in all corners of the globe.”

John McInnis
Card Services

“Computer-to-computer interface with credit bureaus improves productivity in loans processing.”

Pat Boyle
London
City Centre Mall

Administration fees contributed $392,000 to 1984 revenue. Interest-bearing receivables, which comprised 57% of total receivables at December 31, 1983, represented 64% at 1984 year-end and increased from $28.1 million to $36.4 million.

In September, Canada Trust MasterCard Gold became the first premium financial card available in Canada. Also unique, both this and the regular MasterCard were introduced in United States funds. At December 31, 4,600 gold accounts had been approved.

Despite receivables growth, bad debt and fraud losses were contained at $563,000. The loss ratio of 0.30% of gross sales, compared with 0.40% in 1983, continued well below industry standards.

The decision to process MasterCard deposits for retailers, undertaken in mid-1983, has proven key to credit card profitability. As of December 31, branches were accepting deposits from 12,000 merchants, representing a 7% share of market. Merchant sales for the year totalled $345 million contributing $3.1 million in net revenue.

Subsequent to successful introduction in 11 London branches in December 1983, JohnnyCash money machines have been installed in a further 42 locations, principally in Midwestern and Hamilton/Niagara regions. Units installed now number 80 in 53 branches and the associated cardholder base exceeds 153,000.

Agreement was reached October 25, 1984 between Hudson's Bay and Canada Trust allowing savings customers access as of June 3, 1985 to accounts through cash dispensers owned by The Bay and located in 10 of their Toronto area stores. After testing, it is expected units will be placed in other Bay, Simpsons and Zellers locations.

August 22, 1984 was the first anniversary of direct participation in the Canadian Payments Association clearing system. Entry has been beneficial, resulting in lowered operating costs and net revenue gained from the investment of federal government balances which accrue to us as a direct clearer.

TRUST AND CORPORATE SERVICES

Personal Trust Services – Business acquired, as measured by first year fees, increased 10% over 1983. Total fee revenue increased 3% to $15.3 million.

New laser technology made production of client statements in a variety of personalized formats possible. As well, an enhancement to the personal trust computer system will support introduction in early 1985 of an agency account for assets denominated in United States dollars.

Pension Trust Services – Business development efforts generated $889,000 in first year fees, representing an increase of 162%. Total revenue was $14.4 million, up 8% over 1983. Pension assets under administration rose 27% to $10.4 billion.

Clients benefited from an improved statement package and an accounting and reporting capability in United States currency. Two additional administrative units – Kitchener and Montreal – were established. A policy of decentralized administration, emphasizing personal client service, continues as a basic operating principle.

Corporate Trust Services – Fees collected declined 8% due to both reduced corporate debt underwriting and stock market activity, as well as the effect of Canadian Depository for Securities on issuance and cancellation of share certificates. The number of companies issuing debt and equity was limited by continuing relatively high rates of interest and an uncertain economy.

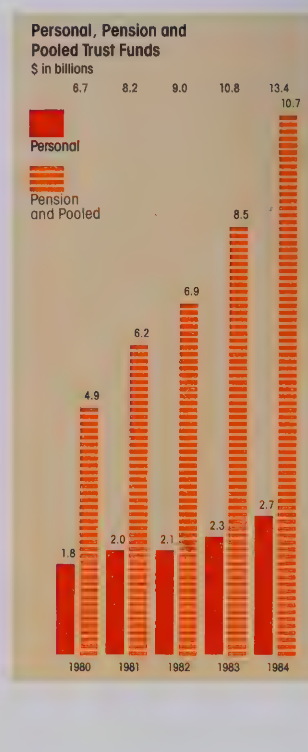
The entire securities processing industry is undergoing significant change driven by implementation of Canadian Depository for Securities book-based system. Growth expectations have been tempered to reflect the new environment.

DATA RESOURCES

Major activities in computer operations included installation of more cost-effective network technology and upgrading branch terminals to provide for instant printing of customer documents.

Systems development projects furnished software support for in-branch document printing and technology for corporate clients to have on-line terminal or personal computer access to their pension fund data.

Internally, electronic mail facilities were expanded and use of personal computers was extended to enable downloading data from mainframe computers to enhance employee productivity.



PLANNING
Strategies to balance continued growth and earnings performance are major considerations in 1985 plans, with market share, expense control and earnings objectives driving the process. Key objectives for 1985 appear on page six. Performance against 1984 objectives established in the 1983 annual report is highlighted on pages four and five.

Resources are allocated in priority order to support corporate thrusts. Execution is a team effort of branch, product, systems, marketing and human resources management.

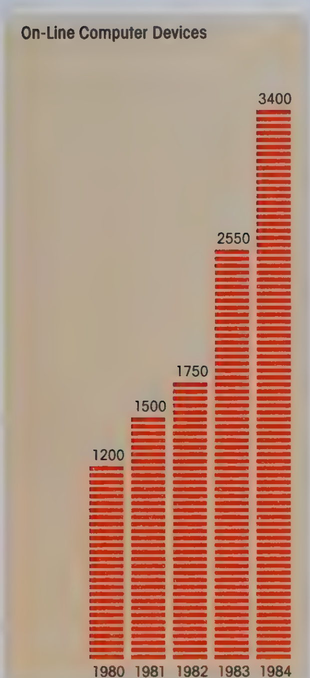
MARKETING SERVICES
Strategies focused on gaining market share through product innovation and aggressive sales and merchandising initiatives.

Product development included the SuperRate account, which almost overnight changed the Canadian savings and chequing business. Firsts for the Canadian marketplace included a United States dollar SuperRate, MasterCard Gold and a United States dollar MasterCard. Canada Trust was also the first national financial institution to offer weekly and bi-weekly mortgage payment options.

Vigorous sales and merchandising activities were successful in a number of areas: retirement savings plans, savings and chequing accounts, mortgages, Canada savings bonds, "8 to 8" service, JohnnyCash money machines, sales finance, merchant MasterCard and personal trust immediate fee development.

Campaigns for 25 new, relocated or renovated branches generated significant business across several product lines.

Research in major markets pinpointing outstanding areas for new branches sets the stage for continued strong network expansion.



LEGAL SERVICES
Support was given to management, product areas and regions in planning and in responding to market demands and legal issues. Legal opinions received during the last several years were assessed and committed to electronic storage, for ease of reference by a wide spectrum of personnel.

A major review of insurance coverages and changes thereto reduced corporate exposure to controllable risk. Centralizing reporting of all potential and actual losses is underway.

Systems changes will allow preliminary electronic review of meeting agenda and supporting documents for legal-related committees. Decisions will be communicated quickly using the same technologies.

HUMAN RESOURCES
Employee relations stressed communication. An "open door" program commenced early in the year providing a direct and confidential channel for employees to express opinions and ideas, ask questions or voice concerns to an ombudsman who functions strictly as an impartial third party. An ongoing employee attitude survey and staff newsletter were introduced.

Equipping personnel to utilize new technology continued to be a high priority. Employees participated in programs to upgrade skills in many areas of data entry and other end-user applications. Focus was also given to product administration and customer service training, with employees participating in over 3,500 training units. Research into computer assisted instruction laid the foundation to maximize technology in design and delivery of instructional programs.

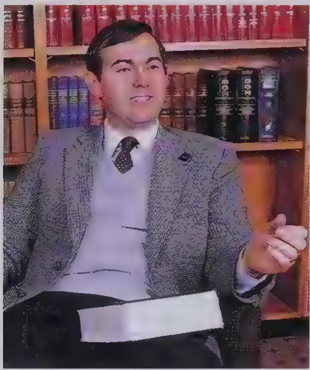
ORGANIZATION
Senior management appointments during 1984 were:

Senior Vice-President
Leo P. Sauve
Pacific Region

Vice-Presidents
Eugene L. Baillargeon
Real Estate Sales
Richard B. Coles
Corporate Loans
James T. Lindores
Special Projects
Stan A. Martin
Savings Services
J.J. Sean McNamara
Card Services
Liam S. O'Brian
Corporate Relations
Metropolitan Toronto Region
Gwyn E. Williams
Hamilton/Niagara Region

"Computer analysis helps assess potential branch sites."
Laurence Linsdell
Marketing Services

"Computer modelling enhances management succession planning."
Margaret Pidgeon
Human Resources



"An electronic data base of legal opinions assists in problem solving."
John Mullen
Legal Services

"The computer gives real estate agents and customers comprehensive information on available houses."
Gizella Davis
Calgary
2515-90th Ave. S.W.

Assistant Vice-Presidents

John P. Bosak
Data Processing Operations
Douglas R. Dolman
Support Services
Herbert T. Lovett
Corporate Business Development
Southwestern Ontario Region
Ron Moretto
Windsor University at Victoria
Robert P. Morneau
RSP Savings
Donald W. Nichol
Financial Services
Toronto Yonge at Adelaide
George Pace
Trust Services
Metropolitan Toronto Region
Robert T. Panabaker
Systems Development
Wilfred W. Park
Corporate Business Development
Midwestern Ontario and Hamilton/Niagara Regions
Lawrence O. Philp
Planning and Tax Services
Robert D.M. Strachan
Ottawa Laurier at Metcalfe
Ivor J. Thomas
Corporate Loans
John A. Whaley
General Counsel and Assistant Secretary
O. Evan Whitehead
London City Centre Mall
James R. Wilken
Kitchener King at Water
Michael D. Woeller
Northern Ontario/Quebec Region

The untimely death on July 4, 1984 of Derek J. Warren, Vice-Chairman, Prairie Region, was recorded with deep regret.

THE YEAR AHEAD

It is a fact of life that the Canadian economy is inextricably linked to events south of the border. After booming for much of 1984, the United States economy now shows signs of slowing. The Canadian scene will likely mirror this and real gross national product growth for 1985 is forecast by leading economists at about 3%.

With elections over in both countries, it is earnestly hoped that governments will belatedly take steps to reduce huge federal deficits. Such action would give a strong assist to control of inflation and be viewed positively by investors. Improved investor psychology should permit real rates of interest – that is, the nominal rate of interest minus the inflation rate – now near historical highs, to decline and approach normal levels. Respite for hard-pressed borrowers would allow abatement of current high provisions for investment losses charged to earnings.

Canada Trustco is well prepared to meet almost any eventuality. Despite a competitive environment not equalled for decades, the company should experience a good year in 1985 with net earnings anticipated to improve by at least 10%.

Arthur H. Mingay
Chairman of the Board and the Executive Committee

Mervyn L. Lahn
President and Chief Executive Officer

January 29, 1985
London, Canada

CANADA TRUSTCO MORTGAGE COMPANY

CONSOLIDATED STATEMENT OF EARNINGS, *year ended December 31*

	Note	1984	% Increase (Decrease)	1983	1982
Investment income					
Short term notes		$ 153,094,000	10	$ 138,659,000	$ 205,541,000
Bonds and debentures		138,674,000	29	107,101,000	75,750,000
Stocks		59,011,000	69	35,008,000	36,251,000
Mortgages		620,604,000	8	576,095,000	606,474,000
Corporate term loans		101,501,000	20	84,283,000	112,206,000
Financial institutions loans		60,102,000	14	52,659,000	79,515,000
Consumer and personal loans		51,120,000	18	43,381,000	51,485,000
Collateral loans		26,794,000	19	22,466,000	28,502,000
Net real estate investment properties	7	9,598,000	(8)	10,446,000	7,425,000
Equipment leases		4,580,000	35	3,388,000	2,089,000
		1,225,078,000	14	1,073,486,000	1,205,238,000
Interest on deposits and notes					
Demand deposits		321,905,000	29	250,284,000	361,344,000
Cashable term deposits		71,078,000	13	63,167,000	133,328,000
Term deposits		602,442,000	9	552,646,000	549,280,000
		995,425,000	15	866,097,000	1,043,952,000
Subordinated notes		4,515,000			
		999,940,000	15	866,097,000	1,043,952,000
Net investment income		225,138,000	9	207,389,000	161,286,000
Provision for possible investment losses	6	12,500,000	25	10,000,000	15,000,000
Net investment income after provision for possible investment losses		212,638,000	8	197,389,000	146,286,000
Fees					
Personal trust		15,282,000	3	14,793,000	14,021,000
Pension and pooled trust funds		14,351,000	8	13,309,000	12,025,000
Corporate trust		8,551,000	(8)	9,314,000	7,845,000
Service	10	37,151,000	20	30,989,000	26,699,000
		75,335,000	10	68,405,000	60,590,000
Net real estate sales commissions					
Real estate sales		39,620,000	(6)	42,161,000	23,122,000
Real estate sales personnel		28,765,000	(9)	31,484,000	17,309,000
		10,855,000	2	10,677,000	5,813,000
Other income		2,713,000	22	2,221,000	2,321,000
Earnings before operating expenses		301,541,000	8	278,692,000	215,010,000
Operating expenses					
Salaries		103,818,000	11	93,602,000	87,605,000
Pension and other benefits		11,570,000	22	9,522,000	10,663,000
Occupancy	8	27,021,000	17	23,157,000	21,264,000
Computer, furniture and equipment	8	24,045,000	23	19,517,000	17,459,000
Communications		9,468,000	12	8,455,000	7,964,000
Stationery		5,392,000	13	4,762,000	4,670,000
Advertising		11,353,000	50	7,566,000	5,977,000
Insurance, commissions and fees		7,845,000	2	7,659,000	6,395,000
Provincial taxes on capital		2,625,000	(3)	2,714,000	2,550,000
Deposit insurance		2,745,000	28	2,140,000	1,184,000
Other	11	5,368,000	(3)	5,554,000	4,678,000
		211,250,000	14	184,648,000	170,409,000
Earnings before income taxes		90,291,000	(4)	94,044,000	44,601,000
Income taxes	9	15,951,000	(47)	30,068,000	4,294,000
Net earnings		$ 74,340,000	16	$ 63,976,000	$ 40,307,000
Attributed to					
Preference shares non-convertible		$ 7,944,000	(15)	$ 9,378,000	$ 9,015,000
Preference shares convertible					1,638,000
Common shares		66,396,000	22	54,598,000	29,654,000
		$ 74,340,000	16	$ 63,976,000	$ 40,307,000
Net earnings per common share – basic		$ 3.11	15	$ 2.70	$ 1.71
Net earnings per common share – fully diluted		$ 2.81	17	$ 2.40	$ 1.61
Net earnings ratios to averaged					
Assets		.68%		.66%	.44%
Common shareholders' equity – fully diluted		17.02%		16.83%	12.70%

See notes to consolidated financial statements commencing on page 26.

CONSOLIDATED STATEMENT OF CONDITION, *December 31*

	Note	1984	% Increase (Decrease)	1983	1982
ASSETS					
Investments	6				
Cash		$ 175,900,000	39	$ 126,528,000	$ 110,120,000
Short term notes		1,254,433,000	(13)	1,439,258,000	1,381,030,000
		1,430,333,000	(9)	1,565,786,000	1,491,150,000
Securities	4				
Bonds and debentures					
Canada		907,750,000	46	621,624,000	531,390,000
Provincial		531,100,000	40	380,044,000	268,123,000
Corporate		76,075,000	34	56,851,000	42,713,000
		1,514,925,000	43	1,058,519,000	842,226,000
Stocks					
Preference		930,144,000	79	518,406,000	391,450,000
Common		38,283,000	(20)	47,641,000	25,608,000
		968,427,000	71	566,047,000	417,058,000
		2,483,352,000	53	1,624,566,000	1,259,284,000
Loans					
Mortgages					
Conventional		3,553,480,000	18	2,999,703,000	2,473,943,000
Conventional insured		751,122,000	(17)	900,681,000	1,037,166,000
National Housing Act		1,010,732,000	16	869,732,000	816,877,000
		5,315,334,000	11	4,770,116,000	4,327,986,000
Corporate term		933,454,000	17	799,275,000	802,836,000
Financial institutions		515,911,000	2	503,495,000	551,803,000
Consumer and personal		446,899,000	24	360,512,000	311,295,000
Collateral		249,894,000	23	203,405,000	175,698,000
		7,461,492,000	12	6,636,803,000	6,169,618,000
Real estate investment properties	7	208,367,000	12	186,048,000	171,882,000
Receivables under equipment leases		47,995,000	(5)	50,773,000	26,674,000
Non-performing investments	5	40,403,000	(29)	57,019,000	66,791,000
Total investments		11,671,942,000	15	10,120,995,000	9,185,399,000
Land, premises and equipment	8	78,051,000	28	61,063,000	57,092,000
		$11,749,993,000	15	$10,182,058,000	$9,242,491,000

Approved on behalf of the board

J.W. Adams, Director

M.L. Lahn, Director

A.H. Mingay, Director

Arthur Mingay

See notes to consolidated financial statements commencing on page 26.

	Note	1984	% Increase (Decrease)	1983	1982
LIABILITIES					
Deposits					
Demand		$ 4,729,465,000	14	$ 4,140,854,000	$3,563,405,000
Cashable term		698,788,000	9	641,305,000	872,276,000
Term		5,715,796,000	17	4,881,202,000	4,389,336,000
		11,144,049,000	15	9,663,361,000	8,825,017,000
Current income taxes	9	4,516,000	3	4,402,000	
Mortgages		27,593,000	147	11,172,000	14,002,000
Dividends		6,327,000	11	5,715,000	6,338,000
		38,436,000	81	21,289,000	20,340,000
		11,182,485,000	15	9,684,650,000	8,845,357,000
Subordinated notes	2	79,515,000			
Future income taxes	9	63,711,000	16	54,861,000	34,066,000
		143,226,000	161	54,861,000	34,066,000
SHAREHOLDERS' EQUITY					
Capital stock	3				
Preference shares		35,000,000	(68)	110,000,000	113,000,000
Common shares		21,877,000	4	21,137,000	18,966,000
		56,877,000	(57)	131,137,000	131,966,000
Contributed surplus		161,397,000	7	151,243,000	109,915,000
Retained earnings		206,008,000	29	160,167,000	121,187,000
		424,282,000	(4)	442,547,000	363,068,000
		$11,749,993,000	15	$10,182,058,000	$9,242,491,000

CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS
year ended December 31

	1984	1983	1982
Balance beginning of year	$151,243,000	$109,915,000	$ 87,429,000
Premium on issue of common shares	10,154,000	41,328,000	22,330,000
Net discount on preference shares series B purchased for cancellation and redemption			156,000
Balance end of year	$161,397,000	$151,243,000	$109,915,000

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
year ended December 31

	1984	1983	1982
Balance beginning of year	$160,167,000	$121,187,000	$105,410,000
Net earnings	74,340,000	63,976,000	40,307,000
	234,507,000	185,163,000	145,717,000
Dividends on preference shares			
Series A		180,000	313,000
Series B			1,638,000
Series D	1,287,000	1,798,000	2,489,000
Series E	772,000	1,078,000	1,493,000
Series F	2,035,000	2,472,000	3,441,000
Series G	3,850,000	3,850,000	1,279,000
	7,944,000	9,378,000	10,653,000
Dividends on common shares	20,366,000	15,473,000	13,146,000
	28,310,000	24,851,000	23,799,000
Expenses, net of income taxes, incurred on issue of shares and subordinated notes	189,000	145,000	731,000
	28,499,000	24,996,000	24,530,000
Balance end of year	$206,008,000	$160,167,000	$121,187,000

See notes to consolidated financial statements commencing on page 26.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL CONDITION

year ended December 31

	1984	1983	1982
CASH DERIVED FROM			
Increase (decrease) in deposits			
Demand	$ 588,611,000	$ 577,449,000	$ 525,454,000
Cashable term	57,483,000	(230,971,000)	(206,667,000)
Term	834,594,000	491,866,000	237,158,000
	1,480,688,000	838,344,000	555,945,000
Operations			
Net earnings	74,340,000	63,976,000	40,307,000
Future income taxes	8,850,000	20,795,000	2,748,000
Depreciation	13,397,000	10,627,000	6,154,000
Provision for possible investment losses	12,500,000	10,000,000	15,000,000
	109,087,000	105,398,000	64,209,000
Other			
Issue of subordinated notes	75,000,000		
Issue of shares	10,894,000	43,499,000	35,304,000
Current income taxes	114,000	4,402,000	
	86,008,000	47,901,000	35,304,000
	1,675,783,000	991,643,000	655,458,000
CASH APPLIED TO			
Increase (decrease) in investments			
Short term notes	(184,825,000)	58,228,000	396,484,000
Bonds and debentures	456,406,000	216,142,000	315,939,000
Stocks	402,380,000	148,989,000	(22,064,000)
Mortgages	540,637,000	440,873,000	(440,391,000)
Corporate term loans	139,719,000	(2,101,000)	158,607,000
Financial institutions loans	12,416,000	(48,308,000)	125,837,000
Consumer and personal loans	86,126,000	49,872,000	(33,177,000)
Collateral loans	46,489,000	27,707,000	(21,278,000)
Real estate investment properties	23,784,000	15,361,000	42,705,000
Receivables under equipment leases	(2,778,000)	24,099,000	(1,871,000)
Non-performing investments	(18,043,000)	(15,622,000)	58,681,000
	1,502,311,000	915,240,000	579,472,000
Dividends paid on			
Preference shares	9,209,000	10,577,000	9,590,000
Common shares	18,489,000	14,897,000	13,061,000
	27,698,000	25,474,000	22,651,000
Other			
Additions to land, premises and equipment	28,920,000	13,253,000	18,072,000
Net loss on disposal and write-down of investments, net of income taxes	13,229,000	15,293,000	11,443,000
Reduction (increase) of mortgage liabilities	(16,421,000)	2,830,000	10,075,000
Expenses, net of income taxes, incurred on issue of shares and subordinated notes	189,000	145,000	731,000
Preference shares purchased for cancellation and redemption	75,000,000	3,000,000	2,740,000
Accrued interest, subordinated notes	(4,515,000)		
	96,402,000	34,521,000	43,061,000
	1,626,411,000	975,235,000	645,184,000
INCREASE IN CASH	$ 49,372,000	$ 16,408,000	$ 10,274,000

See notes to consolidated financial statements commencing on page 26.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, *year ended December 31, 1984*

1. Summary of significant accounting policies

(a) Consolidation
The financial statements include the accounts of Canada Trustco Mortgage Company and its subsidiary companies, The Canada Trust Company, Canada Trustco International Limited, CT Insurance Company Limited, CT Investment Counsel Inc. and Truscan Realty Limited.

(b) Investments
Investments, reduced by an allowance for possible investment losses where applicable, and investment income are stated as follows:

(i) Securities
Bonds and debentures are stated at amortized cost plus accrued interest and stocks are stated at cost plus accrued dividends.

(ii) Loans
Mortgages are stated at cost, which includes amounts advanced, interest capitalized and accrued, taxes and other charges, less repayments and unamortized mortgage discounts. Interest income is accrued on a daily basis and mortgage discounts are amortized over the term of the mortgage.

Corporate term, financial institutions, consumer, personal and collateral loans are stated at cost which includes amounts advanced and interest accrued on a daily basis, less repayments.

(iii) Real estate investment properties
Properties held for development and resale are stated at the lower of cost less accumulated depreciation and estimated net realizable value while properties held as investments are stated at cost less accumulated depreciation. Cost includes all direct costs of development and construction including carrying costs such as interest, property taxes and net operating costs incurred during the development phase. Administrative overhead expenses are not capitalized.

Income is recognized on the sale of properties held for development and resale when all material conditions of the agreement have been fulfilled, a cash down payment equal to at least 15% of the sale price has been received, and in management's judgment the purchaser has the financial resources to complete the transaction. Rental income is recognized on investment properties commencing with the month during which a predetermined level of occupancy is attained subject to a reasonable maximum lease achievement period. Prior to such time net operating costs are capitalized as part of development and construction costs.

Depreciation on buildings is provided on a 5% 40 year sinking fund basis.

(iv) Receivables under equipment leases
Receivables under equipment leases are stated at gross rentals receivable net of unearned income. Any gains resulting from the residual values of leased equipment are reflected in earnings only when realized. Earned income is accrued on a daily basis and recognized accordingly.

(v) Non-performing investments
Non-performing investments are stated at an amount which does not exceed estimated net realizable value. They consist of securities on which interest or preferred dividend payments have been suspended, loans placed on a non-accrual status, corporate term loans on which a rate reduction has been negotiated and real estate acquired in settlement of loans. The delinquency period before a loan is classified as non-accruing differs by category: conventional mortgages – 90 days; corporate term – 30 days; personal, consumer and collateral, other than credit card balances – 90 days. Credit card balances are written off when overdue 180 days. In addition management may, at any time, classify a loan as non-accruing if there is evidence of deterioration in the borrower's financial condition. Once loans are classified as non-accruing, revenue is taken into earnings only as collected.

An allowance for possible investment losses is deducted from the applicable investment in the consolidated statement of condition. This allowance recognizes the historical trend of investment losses and existing economic conditions. Provision for possible investment losses, if any, is based on both the historical five year (including the current year) moving average ratio of losses to average investments and other factors which in management's judgment deserve recognition. Net gains or losses realized on disposal of investments (with the exception of properties held for development and resale) are recorded in this allowance and are reflected in the consolidated statement of earnings only to the extent of their effect on the annual provision, if any.

(c) Land, premises and equipment
Land, premises and equipment comprise assets used by the company in its daily operation. Land is stated at cost and premises and equipment are stated at cost less accumulated depreciation. Depreciation on leasehold improvements and equipment is provided on the straight-line basis over the estimated useful life of each asset at annual rates of 10% to 50%. Depreciation on buildings is provided on a 5% 40 year sinking fund basis.

(d) Fees and net commissions
Fees and net commissions are recorded as income when received.

(e) Pension plan
A contributory pension plan is available to substantially all employees after three months of continuous service. The cost of funding current service pension benefits is expensed as incurred. Unfunded liabilities or experience deficiencies which may occur are funded in accordance with actuarial recommendations and the required additional contributions are expensed as incurred.

(f) Net earnings per common share
Net earnings per common share – basic are calculated using the weighted average number of common shares outstanding and the net earnings attributable to common shares.
Net earnings per common share – fully diluted are calculated on the assumption that all warrants and common share options outstanding at the end of the year had been exercised at the beginning of the year or at the date of issue if applicable. Net earnings include net earnings attributable to common shares plus the imputed earnings on the cash exercise price of warrants and options, calculated at the company's average prime rate for the year less applicable income taxes.

(g) Foreign exchange
Foreign currency assets and liabilities are translated into Canadian dollars at year-end rates of exchange; income and expenses at the rate prevailing at the time of the transaction. Gains and losses on foreign currency transactions are included in service fees.

(h) Comparative figures
The comparative figures for 1983 and 1982 have been reclassified to conform with the financial statement presentation adopted for 1984.

2. Subordinated notes

On July 12, 1984, by private placement, $75,000,000 series A floating rate convertible subordinated notes were issued, maturing July 1, 2009, with interest payable at prime. These notes are redeemable by the company on or after July 1, 1991, with the consent of the Superintendent of Insurance of Canada, at the principal amount plus accrued interest. The noteholders

have the right on or after July 1, 1989, to convert the notes into floating rate cumulative redeemable series H preference shares with a par value of $20 on the basis of 50,000 series H preference shares for each $1,000,000 principal amount of the notes. The company has the right to convert the notes at any time into series H preference shares on the same basis or, with the consent of the Superintendent, purchase them for cancellation. Accrued interest at the time of conversion or purchase for cancellation is payable in cash. 3,750,000 series H preference shares, with a dividend rate 70% of prime, have been reserved for conversion of these notes.

3. Capital stock

All common share figures reflect the two-for-one share split on March 26, 1984.

(a) Authorized and issued

	Number of shares			Amount		
	1984	1983	1982	1984	1983	1982
					(in thousands)	
Cumulative redeemable preference shares, of $20 par value each, issuable in series						
Authorized	9,268,563	13,018,563	13,168,563	$185,371	$260,371	$263,371
Issued						
Series A – 8¾%			150,000	$	$	$ 3,000
Series D – floating % retractable		1,250,000	1,250,000		25,000	25,000
Series E – floating % retractable		750,000	750,000		15,000	15,000
Series F – floating % retractable		1,750,000	1,750,000		35,000	35,000
Series G – 11% retractable	1,750,000	1,750,000	1,750,000	35,000	35,000	35,000
	1,750,000	5,500,000	5,650,000	$ 35,000	$110,000	$113,000
Common shares of $1 par value each						
Authorized	40,000,000	40,000,000	40,000,000	$ 40,000	$ 40,000	$ 40,000
Issued	21,877,376	21,137,098	18,966,038	$ 21,877	$ 21,137	$ 18,966

(b) Terms of issue
(i) Preference shares
The dividend rate on series G preference shares is 11%. The series is redeemable October 2, 1989 at $21.25 reducing annually by $0.25 to $20.00 at October 2, 1994 and thereafter. The shares are retractable at the option of the holder at $21.00 each on September 29, 1989. During each year, commencing October 2, 1989, the company is obligated to make all reasonable efforts to purchase for cancellation 4% of the number of series G shares outstanding at September 29, 1989 at a price not exceeding $20.00 per share plus costs of purchase.

(ii) Common shares
The maximum number of shares that may be issued is 40,000,000, of which 5,649,882 have been reserved as follows:

For warrants outstanding	2,913,396
For dividend reinvestment plan	877,708
For employee purchase and option plans	1,858,778
	5,649,882

At December 31, 1984, 94,538 shares were allocated to the trustee for the employee purchase plan. In addition, options to purchase 1,068,200 shares at prices ranging from $12.56 to $25.38 per share were outstanding. These are exercisable for 10 years with up to 15% becoming eligible in each year measured from date of granting. The maximum number of shares issuable under options at December 31, 1984 was 244,840. During the year options to purchase 31,960 shares were exercised.

The company is a constrained share company and as such the total number of common shares that can be registered and voted by any one shareholder or associated shareholders is limited to 10% of the number of issued voting shares.

(c) Warrants
At December 31, 1984, 1,456,698 (1983 – 1,742,613; 1982 – 1,749,900) warrants were outstanding, each warrant entitling the holder to purchase two common shares for $26.00. The warrants are transferable and until expiry on October 2, 1987, permit the holders to purchase common shares by tendering the warrant and either $26.00 cash or one series G preference share and $5.00 cash for two common shares. The company may at any time, for an ensuing 30 day period, reduce the cash portion of the latter option to $3.00.

(d) Changes in shareholdings and contributed surplus

Three years ended December 31, 1984

	Preference shares		Common shares		Contributed surplus
	Shares	Par value (in thousands)	Shares	Par value (in thousands)	(in thousands)
Balance December 31, 1981	5,237,356	$104,747	17,140,588	$17,141	$ 87,429
Preference shares					
Series A – cancelled	(50,000)	(1,000)			
Series B – cancelled	(77,946)	(1,559)			163
Series B – converted	(1,193,579)	(23,871)	1,799,716	1,800	22,051
Series B – redeemed	(15,831)	(317)			(7)
Series G – issued for cash	1,750,000	35,000			
Common shares – issued for cash					
Employee purchase			25,374	25	274
Options exercised			160		2
Warrants exercised			200		3
Balance December 31, 1982	5,650,000	113,000	18,966,038	18,966	109,915
Preference shares					
Series A – cancelled	(150,000)	(3,000)			
Common shares – issued for cash					
Private placement			2,000,000	2,000	39,000
Employee purchase			41,546	41	758
Dividend reinvestment			33,066	33	600
Options exercised			3,640	4	42
Warrants exercised			92,808	93	928
Balance December 31, 1983	5,500,000	110,000	21,137,098	21,137	151,243
Preference shares					
Series D – redeemed	(1,250,000)	(25,000)			
Series E – redeemed	(750,000)	(15,000)			
Series F – redeemed	(1,750,000)	(35,000)			
Common shares – issued for cash					
Employee purchase			47,262	47	1,066
Dividend reinvestment			89,226	89	1,845
Options exercised			31,960	32	381
Warrants exercised			571,830	572	6,862
Balance December 31, 1984	1,750,000	$ 35,000	21,877,376	$21,877	$161,397

The weighted average number of common shares outstanding during 1984 was 21,352,911 (1983 – 20,233,598; 1982 – 17,315,516).

4. Securities

	1984		1983		1982	
	Stated value	Market value	Stated value	Market value	Stated value	Market value
			(in thousands)			
Bonds and debentures						
Canada	$ 907,750	$ 925,005	$ 621,624	$ 633,723	$ 531,390	$ 550,288
Provincial	531,100	531,287	380,044	380,930	268,123	269,809
Corporate	76,075	72,971	56,851	52,290	42,713	38,114
	1,514,925	1,529,263	1,058,519	1,066,943	842,226	858,211
Stocks						
Preference	930,144	932,778	518,406	519,084	391,450	370,182
Common	38,283	44,392	47,641	55,892	25,608	25,212
	968,427	977,170	566,047	574,976	417,058	395,394
	$2,483,352	$2,506,433	$1,624,566	$1,641,919	$1,259,284	$1,253,605

5. Non-performing investments

	1984		1983		1982	
	(in thousands)	% of portfolio	(in thousands)	% of portfolio	(in thousands)	% of portfolio
Securities	$ 520	0.02	$		$	
Non-accruing loans						
Conventional mortgages	20,912	0.59	40,608	1.35	56,629	2.29
Corporate term	7,063	0.76	12,500	1.56	13,875	1.73
Consumer and personal	810	0.18	1,460	0.40	3,367	1.08
Collateral	634	0.25	1,044	0.51	1,626	0.93
	29,939	0.40	55,612	0.84	75,497	1.22
Real estate acquired in settlement of loans	17,518		9,888		5,625	
	47,457		65,500		81,122	
Applicable portion of allowance for possible investment losses	7,054		8,481		14,331	
	$40,403		$57,019		$66,791	

6. Allowance for possible investment losses

(a) Changes during year

	1984	1983	1982
		(in thousands)	
Balance beginning of year			
Tax allowed	$	$	$ 1,669
Tax paid	30,037	35,330	30,104
	30,037	35,330	31,773
Provision charged to earnings	12,500	10,000	15,000
Net investment gains (losses and write-downs)	(13,229)	(15,293)	(11,443)
	(729)	(5,293)	3,557
Balance end of year – tax paid	$ 29,308	$ 30,037	$ 35,330

(b) Net investment gains (losses and write-downs)

	1984			1983	1982
	Gains (losses)	Income taxes	Net	Net	Net
			(in thousands)		
Loans, net of recoveries of $2,503 (1983 – $494; 1982 – $459)					
Mortgages	$ (7,604)	$ 825	$ (6,779)	$ (3,482)	$ (3,381)
Corporate term	(6,728)	730	(5,998)	(9,461)	(13,428)
Consumer and personal	(1,008)	109	(899)	(1,260)	(1,742)
Collateral	(569)	61	(508)	(756)	(233)
	(15,909)	1,725	(14,184)	(14,959)	(18,784)
Bonds and debentures	1,332	(680)	652	260	1,232
Stocks	598	(199)	399	(438)	5,661
Real estate investment properties	(96)		(96)	(156)	448
	$(14,075)	$ 846	$(13,229)	$(15,293)	$(11,443)

(c) Allocation of allowance for possible investment losses

	1984	1983	1982
		(in thousands)	
Loans			
Mortgages	$ 13,971	$18,552	$ 19,809
Corporate term	7,000	1,460	
Consumer and personal	1,283	1,544	889
	22,254	21,556	20,698
Bonds and debentures			151
Real estate investment properties			150
Non-performing investments	7,054	8,481	14,331
	$ 29,308	$ 30,037	$ 35,330

7. Real estate investment properties

(a) Cost and net depreciated values

	1984			1983	1982
	Cost	Accumulated depreciation	Net	Net	Net
			(in thousands)		
Properties held for development and resale					
Land	$ 38,541	$	$ 38,541	$ 40,780	$ 34,967
Buildings	10,770	417	10,353	10,897	11,702
	49,311	417	48,894	51,677	46,669
Properties held as investments					
Land	48,933		48,933	29,430	28,718
Buildings	122,524	11,984	110,540	104,941	96,495
	171,457	11,984	159,473	134,371	125,213
	$220,768	$12,401	$208,367	$186,048	$171,882

(b) Net real estate investment properties income

	1984	1983	1982
		(in thousands)	
Property sales	$ 1,576	$ 6,897	$ 1,148
Cost of property sales	1,711	6,103	1,635
	(135)	794	(487)
Rental income	20,192	18,226	14,091
Maintenance	6,209	7,430	5,504
Write-downs	3,000		
	10,983	10,796	8,587
Net income before depreciation	10,848	11,590	8,100
Depreciation	1,250	1,144	675
	$ 9,598	$10,446	$ 7,425

8. Land, premises and equipment

(a) Cost and net depreciated values

	1984			1983	1982
	Cost	Accumulated depreciation	Net	Net	Net
			(in thousands)		
Land	$ 8,517	$	$ 8,517	$ 5,896	$ 4,805
Buildings	26,205	5,285	20,920	18,384	17,293
Leasehold improvements	28,025	12,966	15,059	12,223	11,825
Computers, furniture and equipment	53,856	20,330	33,526	24,055	22,639
Automobiles	83	54	29	505	530
	$116,686	$38,635	$78,051	$61,063	$57,092

(b) Occupancy expense

	1984	1983	1982
		(in thousands)	
Rent	$ 9,717	$ 8,975	$ 7,874
Maintenance	13,701	11,132	10,867
Depreciation	4,074	3,449	2,634
	27,492	23,556	21,375
Rental income	471	399	111
	$27,021	$23,157	$21,264

(c) Computer, furniture and equipment expense

	1984	1983	1982
		(in thousands)	
Rent	$14,203	$12,261	$13,192
Maintenance	1,769	1,222	1,422
Depreciation	8,073	6,034	2,845
	$24,045	$19,517	$17,459

(d) Premises and equipment leases

The aggregate minimum rentals payable at December 31, 1984 are as follows for each of the periods shown:

	Premises	Equipment	Total
		(in thousands)	
1985 - 1989	$39,961	$16,715	$56,676
1990 - 1994	16,048		16,048
1995 - 1999	6,327		6,327
thereafter	1,212		1,212

9. Income taxes

(a) Income taxes recorded in the financial statements

	1984	1983	1982
		(in thousands)	
Consolidated statement of earnings	$15,951	$30,068	$4,294
Consolidated statement of retained earnings	(188)	(145)	(531)
Allowance for possible investment losses	(846)	(4,562)	(1,015)
	$14,917	$25,361	$2,748
Income taxes provided – current	$ 6,067	$ 4,566	$
– future	8,850	20,795	2,748
	$14,917	$25,361	$2,748

(b) Reconciliation of statutory and effective rates of income tax on earnings

	1984		1983		1982	
	Amount (in thousands)	Rate	Amount (in thousands)	Rate	Amount (in thousands)	Rate
Earnings before income taxes	$90,291		$94,044		$44,601	
Income taxes at statutory federal and provincial rates	$45,416	50.3%	$47,680	50.7%	$22,880	51.3%
Increase (decrease) from statutory rates						
Tax exempt investment income	(29,660)	(32.8)	(17,714)	(18.8)	(18,882)	(42.3)
Other items	195	.2	102	.1	296	.6
Income taxes recorded	$15,951	17.7%	$30,068	32.0%	$ 4,294	9.6%

(c) Future income taxes

At December 31, 1984 tax losses of $10,299,000 have accumulated which, under current tax legislation, can be used to offset taxable income, if any, for up to five years following the year of loss. Generally accepted accounting principles allow accounting recognition of the tax loss carry forward through the future income taxes account as long as it is virtually certain the tax loss carry forward will be used.

Certain items of income and expense are recognized in time periods different for financial reporting than for income tax purposes. Full provision for income taxes is made in the consolidated statement of earnings using the tax allocation method and income taxes related to the following items are recorded in future income taxes in the consolidated statement of condition.

	1984	1983	1982
		(in thousands)	
Taxes applicable to			
Excess of special mortgage reserve claimed over amount provided	$29,352	$28,724	$27,333
Excess of capital cost allowance claimed over depreciation provided	24,885	23,906	20,237
Tax loss carry forward	(5,084)	(11,128)	(23,953)
Other items – net	14,558	13,359	10,449
	$63,711	$54,861	$34,066

10. Service fees

	1984	1983	1982
		(in thousands)	
Demand deposits	$13,481	$11,333	$10,225
Loans	6,670	7,028	4,768
Canada savings bonds	5,018	4,513	5,163
MasterCard	5,209	2,241	1,530
Foreign exchange	3,219	2,238	1,832
Safe deposit boxes	1,102	1,243	1,012
Other	2,452	2,393	2,169
	$37,151	$30,989	$26,699

11. Other expense

	1984	1983	1982
		(in thousands)	
Travelling	$1,816	$1,691	$1,141
Non-investment losses	1,372	1,538	1,935
Charitable contributions	562	462	423
Miscellaneous	1,618	1,863	1,179
	$5,368	$5,554	$4,678

12. Segmented information

Operations consist of the following segments:

(a) Intermediary: investing depositors' and shareholders' funds in income producing assets together with other revenue from a variety of financial services.

(b) Fiduciary: administering personal and pension trust assets and acting as stock transfer agent and bond trustee for corporate clients.

(c) Net real estate sales: listing and selling of residential, commercial and industrial real estate.

Contribution to earnings represents segment income less direct and allocated expenses based on cost allocation methods believed to be reasonable. Policy is to price inter-segment transactions below market value. These are insignificant in amount and are applied to reduce segment expense. Owned building operations have been included in the intermediary segment and rents have been charged to remaining segments for their share of occupancy costs. Leasehold and equipment costs have been allocated to segments based on their proportionate use.

	Income	Earnings before income taxes	Income taxes	Net earnings	Percentage of total net earnings
		(in thousands)			
Intermediary					
1984	$1,252,442	$82,747	$12,157	$70,590	95
1983	1,096,696	86,788	26,390	60,398	95
1982	1,219,258	40,931	2,412	38,519	95
Fiduciary					
1984	38,184	7,569	3,807	3,762	5
1983	37,416	6,967	3,532	3,435	5
1982	33,891	6,506	3,337	3,169	8
Net real estate sales					
1984	10,855	(25)	(13)	(12)	
1983	10,677	289	146	143	
1982	5,813	(2,836)	(1,455)	(1,381)	(3)
Total					
1984	1,301,481	90,291	15,951	74,340	100
1983	1,144,789	94,044	30,068	63,976	100
1982	1,258,962	44,601	4,294	40,307	100

13. Investment commitments
Future investment commitments are $618,729,000 at December 31, 1984 (1983 – $638,637,000; 1982 – $455,867,000).

14. Pension plan
The actuarial valuation as of September 30, 1984 indicated no unfunded liability (December 31,1983 and 1982 – nil). The plan had assets at market value of $84,315,000 as of September 30, 1984 (December 31, 1983 – $82,820,000; December 31, 1982 – $70,089,000).

Total contributions by the company in 1984 were $1,506,000 (1983 – $1,137,000; 1982 – $4,333,000). Contributions are included in pension and other benefits expense.

15. Remuneration of directors and senior officers
Senior officers serving as directors do not receive directors' fees. The aggregate direct remuneration, including the cost of all pension benefits, paid or payable to directors and senior officers was as follows:

	1984		1983		1982	
	Number	Amount	Number	Amount	Number	Amount
Directors	27	$ 292,000	27	$ 246,000	35	$ 256,000
Senior officers	31	4,419,000	29	3,644,000	28	2,717,000
	58	$4,711,000	56	$3,890,000	63	$2,973,000

16. Related party transactions
Transactions with related parties are on terms equivalent to those with unrelated parties and in total are not material.

AUDITORS' REPORT

To The Shareholders of Canada Trustco Mortgage Company

We have examined the consolidated statement of condition of Canada Trustco Mortgage Company as at December 31, 1984 and the consolidated statements of earnings, retained earnings, contributed surplus and changes in financial condition for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial condition of the company as at December 31, 1984 and the results of its operations and changes in its financial condition for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

January 23, 1985
London, Canada

Thorne Riddell
Chartered Accountants
Thorne Riddell

FINANCIAL REPORTING RESPONSIBILITY

Management is responsible for preparing financial statements and ensuring that all information in the annual report is consistent with these statements. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with generally accepted accounting principles in Canada. The statements and supplementary financial information conform in all material respects with international accounting standards.

Systems of internal control are maintained to provide reasonable assurance of the reliability of financial information and the safety of all assets controlled by the company. These systems include the communication of policies and standards of business conduct throughout the organization to prevent conflicts of interest and unauthorized disclosure of financial information. Internal controls are reviewed and evaluated by extensive internal audit programs which are subject to scrutiny by shareholders' auditors.

The federal department of insurance conducts an annual examination of the company's affairs to ensure it operates within the provisions of governing legislation and that the interests of depositors and the public are safeguarded.

Ultimate responsibility for financial statements to shareholders rests with the board of directors. An audit committee of non-management directors is appointed by the board to review financial statements in detail with management and to report to directors prior to their approval of the financial statements for publication.

Thorne Riddell, shareholders' auditors, review the financial statements in detail and meet separately with both audit committee and management to review their findings, including the fairness of financial reporting and the adequacy of internal controls. Shareholders' auditors report directly to shareholders and their report appears above.

M.L. Lahn
President and Chief Executive Officer

J.L. Doran
Vice-President-Comptroller

January 29, 1985
London, Canada

QUARTERLY ANALYSIS OF NET EARNINGS

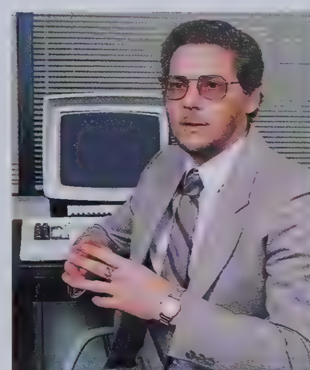
(in thousands except percentages and common share amounts)

Quarter	Taxable equivalent basis: Interest rate differential	Taxable equivalent basis: Net investment income	Fees and net commissions	Operating expenses	Operating expenses to averaged assets	Net earnings	Net earnings per common share - fully diluted	Dividends paid per common share	Net earnings to averaged assets	Net earnings to common shareholders' averaged equity - fully diluted
1st	1.11%	$ 23,644	$12,117	$ 27,218	1.66%	$ 4,274	$ .17	$.165	.26%	6.58%
2nd	1.30	27,456	9,877	27,789	1.59	5,315	.24	.265	.30	8.62
3rd	1.66	34,585	11,351	28,882	1.58	8,607	.43	.165	.47	14.94
4th	1.81	39,009	10,582	30,926	1.66	9,995	.52	.165	.54	17.57
1980	1.48	124,694	43,927	114,815	1.62	28,191	1.36	.760	.40	11.95
1st	1.40	34,029	15,549	35,266	1.80	7,280	.36	.165	.37	12.05
2nd	1.48	37,722	13,100	36,305	1.76	7,432	.35	.265	.37	11.57
3rd	.94	28,755	12,889	36,540	1.69	2,667	.06	.165	.12	2.60
4th	1.26	37,170	16,566	36,920	1.71	11,305	.50	.165	.52	16.02
1981	1.27	137,676	58,104	145,031	1.74	28,684	1.27	.760	.34	10.52
1st	1.31	36,779	18,270	42,078	1.93	6,288	.22	.165	.29	7.16
2nd	1.59	43,824	14,561	41,971	1.87	7,924	.32	.265	.35	10.29
3rd	1.87	51,851	15,054	42,229	1.83	11,789	.50	.165	.51	15.90
4th	2.47	65,381	18,518	44,131	1.90	14,306	.57	.165	.62	16.78
1982	1.81	197,835	66,403	170,409	1.88	40,307	1.61	.760	.44	12.70
1st	2.04	53,431	21,845	45,263	1.95	13,798	.53	.165	.60	15.94
2nd	2.13	57,806	18,927	45,444	1.90	14,504	.55	.265	.60	15.83
3rd	2.23	62,146	18,553	45,573	1.85	16,468	.61	.165	.67	16.49
4th	2.49	68,686	19,757	48,368	1.95	19,206	.71	.165	.77	18.87
1983	2.23	242,069	79,082	184,648	1.91	63,976	2.40	.760	.66	16.83
1st	2.11	62,932	23,501	50,889	1.98	16,632	.61	.165	.65	15.62
2nd	2.21	68,843	19,921	51,131	1.92	17,654	.65	.300	.66	16.28
3rd	2.21	72,560	19,857	52,284	1.86	19,190	.72	.200	.68	17.14
4th	2.43	79,464	22,911	56,946	1.96	20,864	.83	.200	.72	18.86
1984	2.25	283,799	86,190	211,250	1.93	74,340	2.81	.865	.68	17.02

All common share figures reflect the two-for-one share split on March 26, 1984.

"Computer assisted buying and selling of securities reduces client brokerage cost."

Marcia Akai
CT Investment Counsel



"Technological assistance makes analysis of various operational aspects many times more efficient."

Ben Rosehart
Comptrollers

NET EARNINGS AS A PERCENTAGE OF AVERAGED ASSETS

	1984	1983	1982	1981	1980
Net investment income – taxable equivalent basis	2.25	2.23	1.81	1.27	1.48
Provision for possible investment losses	.11	.10	.17		
	2.14	2.13	1.64	1.27	1.48
Fees, net commissions, other income and impact of non-interest bearing assets	1.15	1.11	1.13	1.14	.93
	3.29	3.24	2.77	2.41	2.41
Operating expenses	1.93	1.91	1.88	1.74	1.62
	1.36	1.33	.89	.67	.79
Income taxes – taxable equivalent basis	.68	.67	.45	.33	.39
Net earnings to averaged assets	.68	.66	.44	.34	.40

(in thousands)

	1984	1983	1982	1981	1980
Averaged assets	$10,956,919	$9,689,265	$9,069,757	$8,349,486	$7,069,615
Net earnings	74,340	63,976	40,307	28,684	28,191
Taxable equivalent adjustment	58,661	34,680	36,549	34,531	26,890

INTEREST RATE SENSITIVITY MANAGEMENT

"One small piece of microfiche records the information from dozens of mortgages."
Dave Shelley
Kitchener
King at Water

Key to earnings performance is net investment income – the difference between income earned on investments and cost of deposits and notes. Ensuring that wide fluctuations in interest rates do not adversely affect results is of primary importance. Investments and deposits are nominally categorized as float rate or fixed rate. With the former, rates can change at any time; with the latter, rates stay the same until maturity. In periods of volatile interest rates revenue from float rate instruments changes much faster than revenue from fixed rate instruments. If investments and deposits are not matched by interest rate sensitivity, significant fluctuations in earnings can occur.

The objective of interest rate sensitivity management is to avoid significant risk. Basic strategy is to match the combined total of float rate and short term fixed rate deposits to like investments, and to match long term fixed rate investments to similar term deposits. Certain real estate investments, long term and perpetual preference shares and common shares are matched with capital funds.

A comprehensive, computerized information system monitors and analyzes investment and deposit rate sensitivity, maturity and cash flow. The corporate investment policy committee establishes policy, detailed matching objectives, and monitors performance.

"A computer model helps branches plan staffing to meet work flow fluctuations."
Marie Walker
Toronto
St. Clair at Yonge

Chart 1

One year is the principal period for measuring interest rate sensitivity. A mismatch therein could affect earnings over the next 12 months unless appropriate steps are taken. A surplus of deposits over investments means that more deposits than investments will be repriced during the next year. If interest rates rise during this period earnings could decline. Conversely, if interest rates fall, earnings could improve. The mismatch between volume of investments and deposits interest rate sensitive within one year was reduced significantly during 1981 and 1982. During the past two years strategy has been to manage the mismatch within prescribed levels, while improving overall differential.

1. Under One Year Mismatch

	1984	1983	1982	1981	1980
			(in millions)		
Surplus (deficiency) Investments interest sensitive less comparably sensitive deposits					
Float rate	$ (1,032)	$ (1,531)	$ (979)	$ (876)	$ (869)
Fixed rate	915	1,430	590	342	(197)
Net mismatch	$ (117)	$ (101)	$ (389)	$ (534)	$(1,066)
Total investments	$11,563	$10,019	$9,074	$8,486	$ 7,474
Mismatch to total investments	1.0%	1.0%	4.3%	6.3%	14.3%

Chart 2
Although the primary matching period is one year, substantial volumes are interest rate sensitive within a much shorter period. In recent years approximately two-thirds of all deposits have been interest rate sensitive within one year and more than half within one month. Savings accounts make up a substantial portion of all deposits and the interest rate can change at any time.

Interest rate sensitivity of investments is less concentrated. While most float rate investments carry a rate that changes with prime, a significant volume has rates which depend on other factors, or change with a lag. The result is the current mix of float and fixed rate investments responds more slowly to changes in interest rates than do total deposits. Summarized below are combined volumes of float and fixed rate investments, deposits and capital funds interest rate sensitive at various intervals. Amounts shown exclude accrued income and expense.

2. Investments and Deposits by Interest Rate Sensitivity

	1984						1983					
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
						(in millions)						
Investments												
Cash and short term	$ 706	$ 584	$ 106	$ 20	$	$ 1,416	$ 1,045	$ 477	$ 30	$	$	$ 1,552
Debt securities	826	176	152	90	244	1,488	476	35	48	84	393	1,036
Stocks	50	496	45	42	328	961	50	258	25	22	205	560
Loans and other	2,188	460	824	1,085	3,141	7,698	2,002	360	894	1,067	2,548	6,871
	3,770	1,716	1,127	1,237	3,713	$11,563	3,573	1,130	997	1,173	3,146	$10,019
Deposits and capital												
Demand savings	4,686					$ 4,686	4,088					$ 4,088
Cashable term	402	195	84	9		690	419	149	63	4		635
Term deposits	276	352	651	1,237	2,925	5,441	172	302	629	1,073	2,493	4,669
Capital and other items	75				671	746	75				552	627
	5,439	547	735	1,246	3,596	$11,563	4,754	451	692	1,077	3,045	$10,019
Mismatch	$(1,669)	$1,169	$ 392	$ (9)	$ 117		$(1,181)	$ 679	$ 305	$ 96	$ 101	
Cumulative mismatch	$(1,669)	$ (500)	$ (108)	$ (117)	$ 0		$(1,181)	$ (502)	$ (197)	$ (101)	$ 0	
Investments as % of deposits – cumulative	69.3%	91.6%	98.4%	98.5%	100.0%	100.0%	75.2%	90.4%	96.7%	98.6%	100.0%	100.0%

3. Under One Year Matching Index Investments to Deposits – %

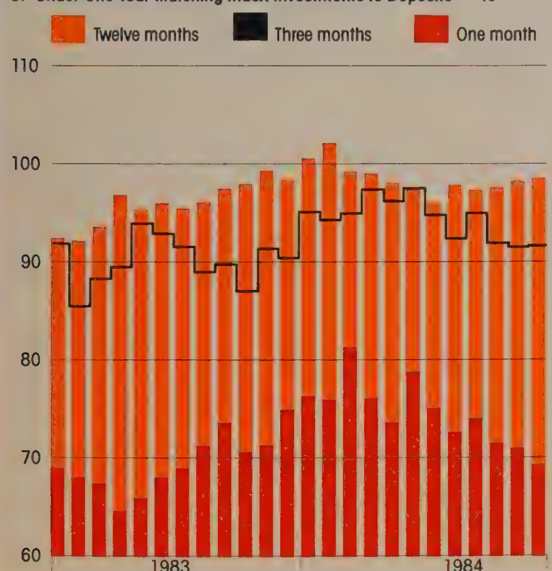


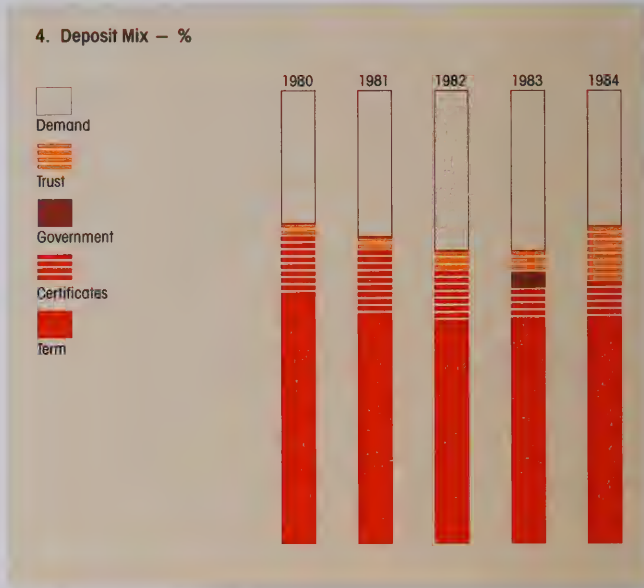
Chart 3
The degree of matching varies throughout the year, and there are significant differences in degrees of matching at various time periods. During 1984 the under one year mismatch moved from a $162 million surplus of investments over deposits to a $288 million surplus of deposits over investments. The one year matching index, being percentage of investments to deposits, moved between 100.7 and 96.2 compared to 99.2 and 92.0 during 1983. At the three month interval the index was above 90 throughout the year.

“Computer generated graphics enhance board and client presentations.”

Linda Greven
Data Resources

Chart 4

Float rate continues the fastest growing deposit type. During the past five years total float rate deposits have grown from 33% to 43% of total deposits. Term certificates of one year or more continued to constitute about 50% of total deposits, while certificates issued for less than one year – typically for 30 to 90 days – declined in share. The change in mix reflects introduction of new types of savings accounts – the most recent being Canadian and United States dollar SuperRate accounts. SuperRate features make it attractive relative to short term certificates.

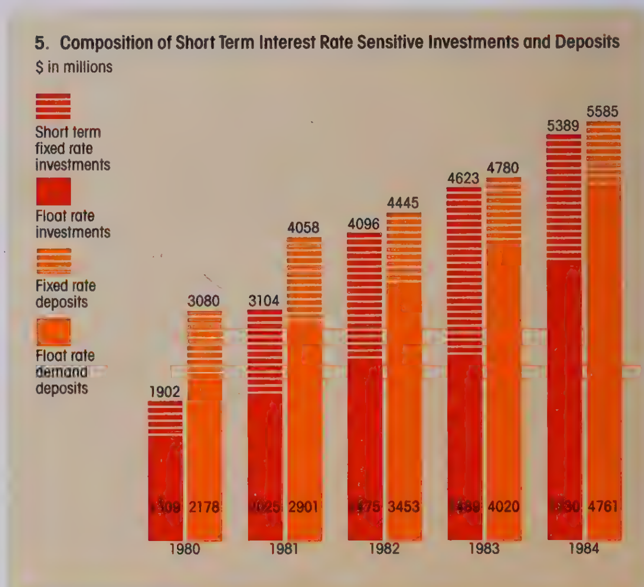


“Computer analysis provides effective support in planning for future human resource requirements.”

Sharon Foster
Midwestern Ontario Region Office

Chart 5

A key strategy matches short term fixed rate and float rate deposits on a composite basis with like investments. This reflects corporate policy on interest rate sensitivity and liquidity management, as well as government legislation. The mix of float and fixed rate investments is indirectly constrained by the quality asset standard and the statutory liquidity requirement. These elements of regulation effectively control overall asset composition. Liquidity management is discussed on page 39.



6. Composition of Float Rate Investments

	1984	1983	1982
		(in millions)	
Canadian government direct and guaranteed debentures	$ 621	$ 388	$ 174
Canadian banks direct and guarantees			
schedule A	355	305	294
schedule B	62	117	114
Other financial institutions	40	72	217
Corporate loans and debt securities	623	618	726
Preference shares	579	333	248
Mortgages	348	314	411
Secured personal loans	212	120	95
Other	189	222	196
	$3,029	$2,489	$2,475

Chart 6

Float rate investments grew $540 million, compared with $14 million in 1983 and $450 million in 1982. Corporate loan demand remained slow for the second year, but demand for preference share financing was very strong. Investments in float rate preference shares increased 74%, reaching $579 million by year-end. Investments in government float rate instruments also increased sharply rising 60% and 257% from 1983 and 1982 levels respectively.

The average float rate corporate investment, excluding commercial mortgages but including all other non-personal instruments, was $18 million compared with $16 million in 1983 and $18 million in 1982.

	1984		1983		1982	
Size of loan (in millions)	Number	Amount	Number	Amount	Number	Amount
Less than $10 million	54	$ 205	52	$ 179	31	$ 131
$10 to $25 million	33	441	33	478	24	331
$25 to $50 million	26	687	17	472	19	639
Greater than $50 million	15	972	12	730	3	250
	128	$2,305	114	$1,859	77	$1,351

7. Interest Rate Differential Components

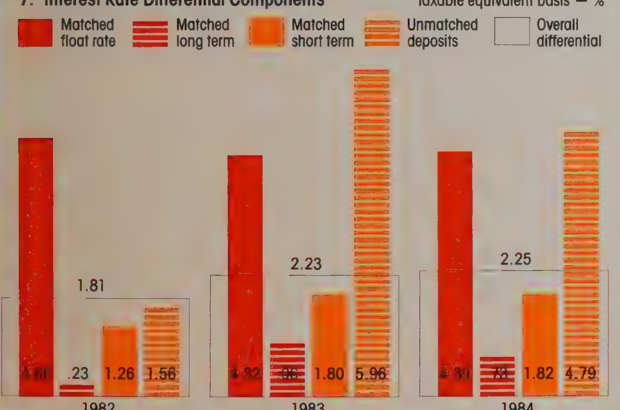


Chart 7

Average annual taxable equivalent interest differential on principal matched and unmatched deposit groups is shown for the three preceding years. There was little change in various differentials in 1984 despite substantially greater interest rate volatility than in 1983. Cost of float rate funds increased due to successful introduction of Canadian and United States dollar SuperRate savings accounts, but the impact was largely offset by changes in investment mix.

Differential on unmatched deposits continued very wide; however, applicable volumes were relatively small and impact on net investment income minor. Differential on long term fixed rate continued unsatisfactory. Low overall differential was principally due to increased competition in mortgage lending, more liberal loan repayment terms and increased interest rate volatility compared with 1983.

8. Movement in Interest Rate Differentials — %

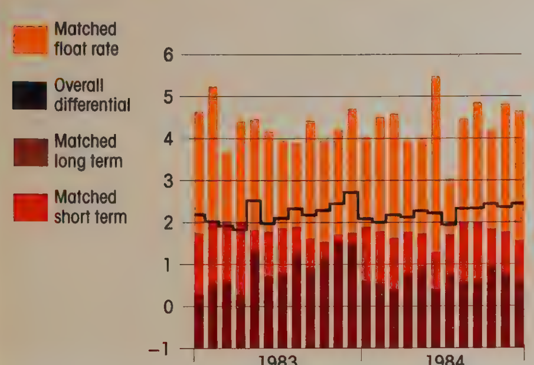
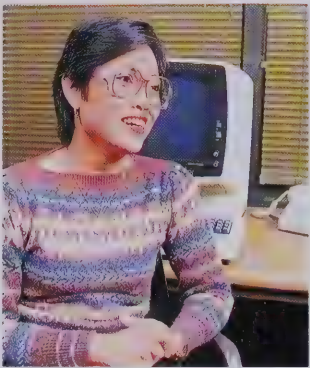


Chart 8

This chart shows changes in taxable equivalent income differential on a monthly basis during the past two years. Movement in matched float rate differential in 1984 reflects the growing impact of dividend income, new deposit products and more volatile interest rates. In 1984 Canada Trustco prime lending rate changed ten times. In 1983 prime rate changed three times.



"Retired employees of corporate clients receive pension payments sooner via electronic deposit to savings accounts."

Theresa Arabit
Vancouver, Four Bentall Centre

INTEREST RATE DIFFERENTIAL *(in thousands)*

Interest rate differential on a taxable equivalent basis increased from an average of 2.23% in 1983 to 2.25% in 1984, as the average yield on investments increased more rapidly than the average cost of deposits. Average rates and change in interest rate differential are shown below.

	1984	1983	Increase
Investment income	$1,225,078	$1,073,486	$151,592
Taxable equivalent adjustment	58,661	34,680	23,981
	1,283,739	1,108,166	175,573
Interest on deposits and notes	999,940	866,097	133,843
Differential	$ 283,799	$ 242,069	$ 41,730

Source of change in differential	Volume	Rate	Net
Investments	$ 152,217	$ 23,356	$175,573
Deposits and notes	113,507	20,336	133,843
	$ 38,710	$ 3,020	$ 41,730

Interest rate differential – taxable equivalent basis	1984	1983	Increase
Average investment yield	12.14%	11.92%	.22%
Average deposit cost	9.89	9.69	.20
Differential	2.25%	2.23%	.02%

MATURITIES *(in thousands)*

INVESTMENTS

Maturity dates	Cash and short term	Securities (1)	Mortgages (2)	Other loans and investments	December 31, 1984 Total	%	December 31, 1983 Total	%
On demand and within 1 year	$1,416,084	$ 829,891	$2,617,539	$ 721,475	$ 5,584,989	47.8	$ 4,919,560	48.6
1 - 2 years		93,708	1,135,008	300,851	1,529,567	13.1	1,360,148	13.4
2 - 3 years		167,083	588,718	267,970	1,023,771	8.8	1,015,445	10.0
3 - 4 years		230,507	504,698	134,765	869,970	7.5	560,763	5.5
4 - 5 years		493,301	368,114	294,908	1,156,323	9.9	798,099	7.9
after 5 years		439,978	67,662	696,560	1,204,200	10.3	1,259,363	12.5
stocks (non-retractable)		194,612			194,612	1.7	105,576	1.1
accrued income	14,249	34,272	33,595	26,394	108,510	.9	102,041	1.0
	$1,430,333	$2,483,352	$5,315,334	$2,442,923	$11,671,942	100.0	$10,120,995	100.0

DEPOSITS

Maturity dates	Demand	Cashable term	Term (2)	December 31, 1984 Total	%	December 31, 1983 Total	%
Payable after notice and within 1 year	$4,686,440	$690,077	$2,515,917	$ 7,892,434	70.8	$6,898,920	71.4
1 - 2 years			1,073,994	1,073,994	9.6	1,010,772	10.5
2 - 3 years			548,580	548,580	4.9	662,972	6.9
3 - 4 years			562,536	562,536	5.1	198,998	2.0
4 - 5 years			609,649	609,649	5.5	527,955	5.5
after 5 years			130,619	130,619	1.2	91,905	.9
accrued interest	43,025	8,711	274,501	326,237	2.9	271,839	2.8
	$4,729,465	$698,788	$5,715,796	$11,144,049	100.0	$9,663,361	100.0

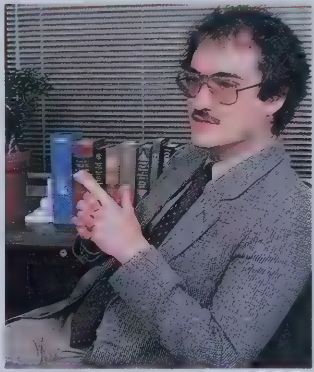
(1) Securities include various types of bonds, debentures, preference and common shares, all reflected at stated cost. Preference shares which have a specific redemption feature at the option of the holder are reflected in the year when the option may first be exercised.

(2) Currently, approximately 50% of term deposits are renewed at maturity. Mortgages not fully paid on maturity approximate 85% and are expected to be renewed on the same amortization schedule adjusted for any variation in interest rates.

(3) The maturities have been arranged to reflect anticipated principal repayments on mortgages, other loans, equipment leases and income averaging contracts in the years they are due.

LIQUIDITY MANAGEMENT

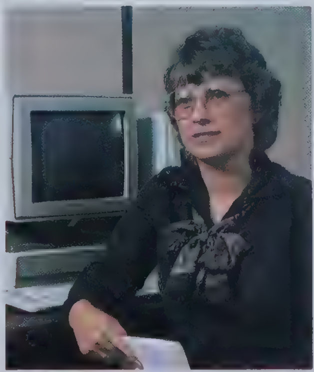
Liquidity management is the continuing ability to meet deposit withdrawals, deposit maturities and fund investments and other contractual commitments. Liquidity represents the total value of assets which can be converted quickly into cash to meet requirements. Two liquidity requirements have been defined. The first is by statute, the second and more stringent is financial standards as defined by the Department of Insurance of Canada. Liquidity management practices followed are more conservative than requirements. Both short and long term requirements are monitored daily and asset and liability management strategies are adopted in concert therewith.



"Electronic surveillance of various financial areas is an ongoing auditing tool."
Jim Fisk
Audit Services

CONSOLIDATED LIQUIDITY *(in thousands)*

	Approved for statutory liquidity at book value		Approved for financial standards test at market value	
	1984	1983	1984	1983
Cash	$ 175,900	$ 126,528	$ 175,900	$ 126,528
Canada and provincial securities	1,438,850	1,001,668	1,456,292	1,014,653
Eligible short term notes of original term under one year	686,635	900,725	1,250,055	1,657,245
	2,301,385	2,028,921	2,882,247	2,798,426
Less				
Statutory liquidity requirement, 20% of cashable term and demand deposits and term deposits maturing within 100 days	1,218,018	1,052,177		
Financial standards test liquidity requirement			1,369,129	1,205,724
Surplus liquidity	$1,083,367	$ 976,744	$1,513,118	$1,592,702



"State-of-the-art word processing centres improve communication productivity."
Pat Makarenko
Calgary
3rd Street at 5th S.W.

LOAN LOSS STATISTICS *(pre-tax basis – net of recoveries)*

	1984	1983	1982	1981	1980
Actual loan loss experience (in thousands)					
Mortgages	$ 7,604	$ 4,667	$ 3,777	$ 600	$ 443
Corporate term	6,728	12,681	15,000		
Financial institutions					
Consumer and personal	1,008	1,689	1,946	1,278	1,107
Collateral	569	1,014	260	1,190	159
	$ 15,909	$ 20,051	$ 20,983	$ 3,068	$ 1,709
Loans outstanding, December 31 (in thousands)					
Mortgages	$5,315,334	$4,770,116	$4,327,986	$4,759,906	$4,782,826
Corporate term	933,454	799,275	802,836	644,229	200,451
Financial institutions	515,911	503,495	551,803	425,966	318,339
Consumer and personal	446,899	360,512	311,295	345,361	349,882
Collateral	249,894	203,405	175,698	196,976	180,357
	$7,461,492	$6,636,803	$6,169,618	$6,372,438	$5,831,855
Loan loss experience as a percentage of loans outstanding					
Mortgages	0.143	0.098	0.087	0.013	0.009
Corporate term	0.721	1.587	1.868		
Financial institutions					
Consumer and personal	0.226	0.469	0.625	0.370	0.316
Collateral	0.228	0.499	0.148	0.604	0.088
	0.213	0.302	0.340	0.048	0.029
Allowance for possible investment losses					
On a pre-tax equivalent basis (in thousands)	$58,616	$60,074	$70,660	$61,877	$52,833
As a multiple of actual loan losses	3.7	3.0	3.4	20.2	30.9

“Technology provides sophisticated and timely analysis of investment property performance.”
Ted Sinclair
Truscan Realty

FINANCIAL INFORMATION ADJUSTED FOR CHANGING PRICES

The financial statements and all related information within the annual report reflect the recording of financial transactions in historical dollars as required by generally accepted accounting principles.

The Canadian Institute of Chartered Accountants recommends that certain Canadian companies provide supplementary financial information adjusted for changing prices in their annual reports. The recommendation excludes banks, trust and insurance companies at this time due to a lack of consensus as to the method of disclosure. The method suggested for other companies attempts to measure ability to maintain current levels of productivity in an environment of changing prices. Those complying are encouraged to experiment and innovate.

Thoughtfully developed adjusted information is useful to assess some effects of changing prices on present and future operations. The most widely recognized measures of such effects are constant dollar and current value. Constant dollar valuation adjusts key financial indicators for changing prices by use of a recognized index such as the Consumer Price Index resulting in a presentation of dollars of equal value from year to year.

SELECTED CONSTANT DOLLAR FINANCIAL DATA

	Year ended December 31				
	1984	1983	1982	1981	1980
	(in millions except per share amounts)				
Net investment income					
As reported	$212.6	$197.4	$146.3	$103.1	$ 97.8
In constant 1984 dollars (1)	212.6	206.0	162.1	126.8	135.3
Net earnings					
As reported	74.3	64.0	40.3	28.7	28.2
In constant 1984 dollars (1)	74.3	66.8	44.7	35.3	39.0
Shareholders' equity					
As reported	424.3	442.5	363.1	314.7	255.8
In constant 1984 dollars (2)	424.3	460.3	393.6	374.5	341.4
Net earnings per common share – fully diluted					
As reported	2.81	2.40	1.61	1.27	1.36
In constant 1984 dollars (1)	2.81	2.50	1.78	1.56	1.88
Dividends paid per common share					
As reported	.865	.76	.76	.76	.76
In constant 1984 dollars (1)	.865	.79	.84	.93	1.05
Average consumer price index (1981 = 100)	121.9	116.8	110.0	99.1	88.1
November 30 consumer price index (1981 = 100)	124.0	119.2	114.4	104.2	92.9

NOTES: (1) Based on average consumer price index for twelve months ended November 30
(2) Based on November 30 consumer price index

The accompanying current value consolidated statement of condition has been prepared on the following basis:

	Basis of Valuation
Cash and short term notes	Stated value
Securities	Market value
Loans	Net present value
Real estate investment properties	Appraised value
Receivables under equipment leases	Net present value
Non-performing investments	Stated value
Land, premises and equipment	Appraised value
Demand and cashable term deposits	Stated value
Term deposits	Net present value
Mortgages payable	Net present value
Dividends	Stated value
Subordinated notes	Stated value
Future income taxes	Nil

Net present value is calculated to yield current rates in effect at year-end for each portfolio valued on this basis. Income taxes which would arise on disposal of assets and liabilities at adjusted values have not been reflected in the accompanying current value consolidated statement of condition.

The earnings adjustment includes the effects of changing prices, valuation and changing interest rates and is subject to various interpretations; one being it results in earnings adjusted for changing prices which may be compared to net earnings reported in the historical dollar consolidated statement of earnings on page 21.

Caution should be exercised in the interpretation of financial information adjusted for changing prices as it is experimental and highly subjective. It is not necessarily indicative of present or future prospects.

CURRENT VALUE CONSOLIDATED STATEMENT OF CONDITION, *December 31*

	1984	1983	Increase (Decrease)
ASSETS			
Investments			
Cash	$ 175,900,000	$ 126,528,000	$ 49,372,000
Short term notes	1,254,433,000	1,439,258,000	(184,825,000)
	1,430,333,000	1,565,786,000	(135,453,000)
Securities			
Bonds and debentures			
Canada	925,005,000	633,723,000	291,282,000
Provincial	531,287,000	380,930,000	150,357,000
Corporate	72,971,000	52,290,000	20,681,000
	1,529,263,000	1,066,943,000	462,320,000
Stocks			
Preference	932,778,000	519,084,000	413,694,000
Common	44,392,000	55,892,000	(11,500,000)
	977,170,000	574,976,000	402,194,000
	2,506,433,000	1,641,919,000	864,514,000
Loans			
Mortgages			
Conventional	3,568,198,000	3,012,964,000	555,234,000
Conventional insured	764,895,000	925,897,000	(161,002,000)
National Housing Act	1,015,417,000	872,164,000	143,253,000
	5,348,510,000	4,811,025,000	537,485,000
Corporate term	932,130,000	806,016,000	126,114,000
Financial institutions	515,911,000	503,495,000	12,416,000
Consumer and personal	448,091,000	360,928,000	87,163,000
Collateral	250,748,000	202,848,000	47,900,000
	7,495,390,000	6,684,312,000	811,078,000
Real estate investment properties	262,924,000	236,193,000	26,731,000
Receivables under equipment leases	45,935,000	49,125,000	(3,190,000)
Non-performing investments	40,403,000	57,019,000	(16,616,000)
Total investments	11,781,418,000	10,234,354,000	1,547,064,000
Land, premises and equipment	81,010,000	72,169,000	8,841,000
	$11,862,428,000	$10,306,523,000	$1,555,905,000
LIABILITIES			
Deposits			
Demand	$ 4,729,465,000	$ 4,140,854,000	$ 588,611,000
Cashable term	698,788,000	641,305,000	57,483,000
Term	5,855,035,000	5,052,705,000	802,330,000
	11,283,288,000	9,834,864,000	1,448,424,000
Current income taxes	4,516,000	4,402,000	114,000
Mortgages	27,896,000	9,905,000	17,991,000
Dividends	6,327,000	5,715,000	612,000
Subordinated notes	79,515,000		79,515,000
	118,254,000	20,022,000	98,232,000
	11,401,542,000	9,854,886,000	1,546,656,000
Shareholders' equity	460,886,000	451,637,000	9,249,000
	$11,862,428,000	$10,306,523,000	$1,555,905,000

CURRENT VALUE CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

year ended December 31

	1984	1983
Balance beginning of year	$ 451,637,000	$ 265,068,000
Net earnings as reported	74,340,000	63,976,000
Earnings adjustment	27,514,000	107,090,000
Adjusted earnings	101,854,000	171,066,000
Net proceeds on issue of shares	10,705,000	43,354,000
Less redemption of preference shares	75,000,000	3,000,000
Less dividends	28,310,000	24,851,000
	9,249,000	186,569,000
Balance end of year	$ 460,886,000	$ 451,637,000

“High speed computer cheque processing dramatically improves productivity of money.”

Clare Rebl
Toronto Clearing Centre

“Electronic printing techniques streamline statement production for trust services.”

Jim Weir
Data Resources

CAPITAL MANAGEMENT

Capital funds are comprised of shareholders' equity, subordinated notes, allowance for possible investment losses and provision for future income taxes. These funds provide a base for accepting deposits, protection for customers against losses and a foundation for future growth. Capital is obtained from investors who hold shares or notes and from earnings retained. Management has responsibility to maintain adequate capital in accordance with constraints of prudence, limitations of the marketplace and both federal and provincial regulation. In addition, a satisfactory return must be earned on capital employed. A long term objective is to fund the major part of capital requirements from internal operations. If this is not achieved additional funds must eventually be raised from outside sources. The alternative is to accept slower growth.

CHART 1

In 1984 capital funds grew 12% to $561 million from $501 million a year ago. Apart from proceeds of the dividend reinvestment plan and exercise of warrants, all net growth in capital came from funds generated internally. Retained earnings grew $45.8 million or 29%, provision for future income taxes $6.5 million or 12%. Allowance for possible investment losses declined $729,000 or 2% after charges for losses and write-downs.

During the year series D, E and F preference shares totalling $75 million were redeemed and $75 million in series A subordinated notes, convertible into series H floating rate preference shares were issued. The notes mature in 2009 and constitute long term funds convertible by the company at any time into permanent preference shares.

Capital used to support deposit taking operations is called borrowing base capital, and its composition is set by federal regulation. For borrowing base purposes subordinated notes, market value deficiency, future income taxes of the real estate investment subsidiary and ineligible assets are deducted from total capital funds. Ineligible assets are primarily furniture, equipment and leasehold improvements. With redemption of preference shares borrowing base capital declined $31 million to $470 million from $501 million at year-end 1983 while total capital funds grew $60 million or 12%.

CHART 2

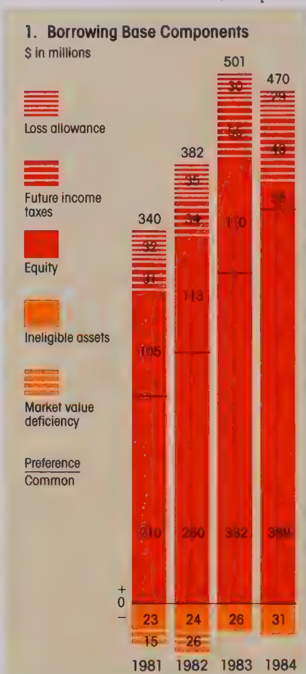
Deposit multiple is one indicator of capital adequacy. Deposits are limited to 25 times borrowing base capital. The amount by which the multiple is below the limit shows deposit growth possible without adding capital. At year-end the deposit multiple was 21.50 times, compared with 17.31 times at the end of 1983. Assuming conversion of the series A notes, the 1984 year-end multiple would have been 18.41 times. On this basis, capital funds were sufficient to support $3.6 billion in additional deposits, compared to $3.9 billion a year ago.

CHART 3

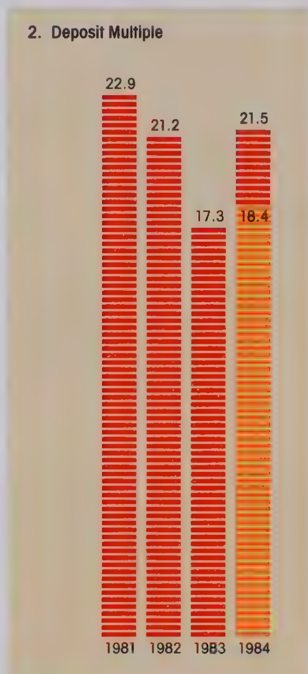
While deposit multiple is a measure of capital adequacy, the relationship between internal return on capital, calculated after dividend payments, and deposit growth denotes adequacy of profits. Internal return is derived from current year's earnings, funds set aside for paying future income taxes and additions to allowance for possible investment losses. These funds pay preference and common share dividends and provide a base for deposit growth. The extent to which these funds meet requirements is the internal capital self-sufficiency ratio.

In 1981 deposit growth and dividend requirements far exceeded capital generated internally, and profitability measured by return on both equity and capital funds was inadequate. Although outweighed by deposit growth in 1984, continued growth in profitability in 1982 to 1984 contributed to acceptable levels of achievement.

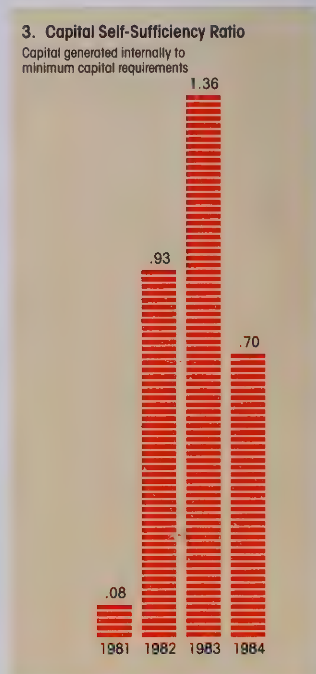
	1981	1982	1983	1984
Return on assets (based on internally generated capital)	0.288%	0.521%	0.818%	0.730%
÷				
Capital as per cent of assets	3.93%	4.07%	4.34%	4.37%
=				
Internal return on capital	7.3%	12.8%	18.9%	16.7%
×				
Portion retained after all dividends	0.152	0.489	0.687	0.646
=				
Internal return on capital retained	1.12%	6.27%	12.97%	10.79%
÷				
Growth in deposits	13.43%	6.72%	9.50%	15.32%
=				
Internal capital self-sufficiency ratio	0.08	0.93	1.36	0.70



1. Borrowing Base Components



2. Deposit Multiple



3. Capital Self-Sufficiency Ratio

REAL ESTATE INVESTMENT PROPERTIES

TRUSCAN REALTY LIMITED, *December 31, 1984*

Property	Description	Net rentable square feet	Per cent owned	Cost	Appraised value	Depreciated value	1984 return on depreciated value (before intercompany eliminations)	
HELD AS INVESTMENTS								
British Columbia								
Poco Place, Port Coquitlam	Shopping centre	164,000	100	$ 15,540,000	$ 19,500,000	$ 15,197,000	6.0%	
Spall Plaza, Kelowna	Shopping centre	86,000	100	10,363,000	10,540,000	10,128,000	9.0	
Canada Trust Tower, Vancouver	Office building	565,000	25	15,680,000	25,000,000	15,332,000	10.1	
Alberta								
Richmond Square, Calgary	Shopping centre	84,000	100	6,988,000	7,600,000	6,831,000	10.4	
10150-100th Street, Edmonton	Office building	45,000	100	1,967,000	3,300,000	1,378,000	16.1	
Ontario								
Supermall, Sudbury	Shopping centre	232,000	100	10,953,000	11,900,000	10,673,000	13.2	
Byron Village Plaza, London	Shopping centre	80,000	100	5,013,000	5,250,000	4,897,000	10.3	
Heart Lake Town Centre, Brampton	Shopping centre	78,000	50	4,038,000	5,000,000	3,988,000	12.3	
Mall Road Centre, Sarnia	Shopping centre	68,000	100	4,166,000	5,700,000	4,080,000	14.5	
Eastwood Plaza, London	Shopping centre	40,000	100	2,317,000	3,000,000	2,268,000	7.7	
Canada Trust Square, Brantford	Shopping centre	33,000	100	2,839,000	3,000,000	2,775,000	9.5	
MacKay Plaza, Brampton	Shopping centre	49,000	100	5,112,000	5,112,000	5,082,000	10.3	(1)
City Centre, London	Office building	525,000	10	4,470,000	4,390,000	3,972,000	6.2	
110 Yonge Street, Toronto	Office building	137,000	100	8,752,000	22,000,000	5,586,000	19.5	
Cambridge Place, Cambridge	Office building	110,000	66	6,292,000	5,336,000	6,170,000	2.1	
Petrosar Building, Sarnia	Office building	107,000	100	14,267,000	19,000,000	14,039,000	12.5	
305 King Street, Kitchener	Office building	105,000	100	3,234,000	4,700,000	1,788,000	21.2	
220 Dundas Street, London	Office building	68,000	100	2,813,000	3,200,000	1,008,000	30.4	
60 James Street, St. Catharines	Office building	60,000	100	2,999,000	3,700,000	2,429,000	3.9	
Bay & Front Streets, Toronto	Office building		20	14,663,000	14,663,000	14,663,000		(2)
Other Locations	Office and retail	465,000		28,991,000	29,996,000	27,189,000	8.0	
		3,101,000		$171,457,000	211,887,000	159,473,000	10.0%	
HELD FOR RESALE								
British Columbia								
Kennedy Heights, Delta	Shopping centre	160,000	100	$ 11,550,000	14,800,000	11,343,000	8.5%	
Other Locations	Shopping centre	94,000		3,562,000	3,700,000	3,352,000	7.8	
		254,000		$ 15,112,000	18,500,000	14,695,000	8.4%	
		3,355,000						

Property	Description	Lots/ units	Future acreage	Per cent owned	Appraised value	Book value (3)
HELD FOR DEVELOPMENT						
British Columbia						
Juniper Ridge, Kamloops	Residential	411	200	100	7,500,000	7,892,000
Westwood Six, Port Coquitlam	Commercial		8	100	4,930,000	3,672,000
Alberta						
Millrise, Calgary	Residential	427	222	50	12,585,000	14,569,000
Other Locations	Residential & Commercial	252	25		7,522,000	8,066,000
					32,537,000	34,199,000
Development and resale					51,037,000	48,894,000
					$262,924,000	$208,367,000

1. Developed or acquired in 1984 – return projected on full year basis.
2. Project under development. Investment not included in calculating return on depreciated value.
3. Cost less write-downs to date.

"Electronic transfer handles pre-authorized mortgage payments from Canada Trust accounts, without paper changing hands."

Mary Shearman
Ottawa
Laurier at Metcalfe

"A computerized phone system cuts costs and increases communication effectiveness."

Brian Stockman
Data Resources

FIVE YEAR FINANCIAL ANALYSIS, *year ended December 31*

	1984	1983	1982	1981	1980
EARNINGS (as % of income)					
Income – taxable equivalent basis					
Investment	93.5%	93.2%	94.7%	94.8%	94.6%
Fees and net commissions	6.3	6.6	5.1	4.8	5.1
Other	.2	.2	.2	.4	.3
	100.0	100.0	100.0	100.0	100.0
Expense					
Interest on deposits and notes and provision for possible investment losses	73.8	73.6	80.8	83.6	80.1
Salaries and employee benefits	8.4	8.7	7.5	6.8	7.7
Other	7.0	6.9	5.5	5.0	5.7
	89.2	89.2	93.8	95.4	93.5
Earnings before income taxes	10.8	10.8	6.2	4.6	6.5
Income taxes – taxable equivalent basis	5.4	5.4	3.1	2.2	3.2
Net earnings	5.4%	5.4%	3.1%	2.4%	3.3%
NET EARNINGS RATIOS					
To averaged					
Assets	.68%	.66%	.44%	.34%	.40%
Common shareholders' equity – fully diluted	17.0%	16.8%	12.7%	10.5%	12.0%
Full-time equivalent employee	$14,302	$13,156	$8,861	$6,134	$6,584
ASSETS, LIABILITIES AND EQUITY (as % of total assets)					
Assets					
Cash and short term notes	12.2%	15.4%	16.1%	12.5%	8.3%
Securities	21.1	16.0	13.6	11.2	13.1
Loans	63.5	65.2	66.8	73.9	76.7
Other investments	2.5	2.8	2.9	1.9	1.5
Land, premises and equipment	.7	.6	.6	.5	.4
	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities					
Deposits payable after notice	46.2%	47.0%	48.0%	47.6%	43.0%
Term deposits and notes	49.3	47.9	47.5	48.0	52.9
Total deposits and notes	95.5	94.9	95.5	95.6	95.9
Other liabilities	.3	.2	.2	.3	.2
Future income taxes	.6	.5	.4	.4	.5
	96.4	95.6	96.1	96.3	96.6
Shareholders' equity	3.6	4.4	3.9	3.7	3.4
	100.0%	100.0%	100.0%	100.0%	100.0%
RATIOS					
Loans to total deposits and notes	66.5%	68.7%	69.9%	77.3%	80.0%
Shareholders' equity to loans	5.7%	6.7%	5.9%	4.9%	4.4%
Deposit multiple	21.5×	17.3×	21.2×	22.9×	22.9×
Preference share portion of shareholders' equity	8.2%	24.9%	31.1%	33.3%	29.0%
Dividends paid per common share as a percentage of attributable basic net earnings	27.8%	27.3%	44.0%	57.6%	53.9%

TABLE OF AVERAGE HOLDINGS *(in millions)*

	1984	1983	1982	1981	1980
Investments					
Cash, short term notes and securities	$ 2,913	$2,850	$2,402	$1,894	$1,477
Mortgages	4,945	4,492	4,444	4,746	4,515
Loans, real estate and receivables under equipment leases	2,714	1,953	1,884	1,465	857
Average investments	$10,572	$9,295	$8,730	$8,105	$6,849
Deposits and notes					
Demand	$ 4,198	$3,696	$3,276	$2,631	$2,053
Cashable term	754	770	976	1,130	772
Term	5,156	4,471	4,159	4,076	3,803
Average deposits and notes	$10,108	$8,937	$8,411	$7,837	$6,628

Computed principally on averaged daily balances

FOURTH QUARTER CONSOLIDATED STATEMENT OF EARNINGS

three months ended December 31
(unaudited)

	1984	% Increase (Decrease)	1983	1982
Investment income				
Short term notes	$ 37,726,000	14	$ 33,122,000	$ 50,489,000
Securities	63,032,000	63	38,610,000	29,707,000
Mortgages	165,584,000	16	143,251,000	148,957,000
Loans and equipment leases	65,254,000	26	51,941,000	64,240,000
Net real estate investment properties	2,933,000	(33)	4,366,000	3,330,000
	334,529,000	23	271,290,000	296,723,000
Interest on deposits and notes	274,841,000	29	213,107,000	239,906,000
Net investment income	59,688,000	3	58,183,000	56,817,000
Provision for possible investment losses	5,000,000	100	2,500,000	12,300,000
Net investment income after provision for possible investment losses	54,688,000	(2)	55,683,000	44,517,000
Fees				
Personal trust	3,525,000	13	3,121,000	2,450,000
Pension and pooled trust funds	1,594,000	26	1,268,000	1,008,000
Corporate trust	2,242,000	(12)	2,558,000	2,261,000
Service	13,302,000	23	10,857,000	10,641,000
	20,663,000	16	17,804,000	16,360,000
Net real estate sales commissions				
Real estate sales	9,358,000	(4)	9,777,000	8,776,000
Real estate sales personnel	7,110,000	(9)	7,824,000	6,618,000
	2,248,000	15	1,953,000	2,158,000
Other income	1,616,000	1	1,593,000	1,583,000
Earnings before operating expenses	79,215,000	3	77,033,000	64,618,000
Operating expenses				
Salaries, pension and other benefits	29,988,000	12	26,818,000	25,768,000
Occupancy	6,995,000	23	5,698,000	4,433,000
Computer, furniture and equipment	7,096,000	21	5,875,000	5,411,000
Communications	2,298,000	20	1,921,000	1,440,000
Stationery	1,348,000	34	1,008,000	802,000
Advertising	4,141,000	82	2,279,000	1,499,000
Insurance, commissions and fees	2,203,000	36	1,624,000	1,809,000
Provincial taxes on capital	521,000	(28)	723,000	711,000
Deposit insurance	706,000	10	642,000	355,000
Other	1,650,000	(7)	1,780,000	1,903,000
	56,946,000	18	48,368,000	44,131,000
Earnings before income taxes	22,269,000	(22)	28,665,000	20,487,000
Income taxes	1,405,000	(85)	9,459,000	6,181,000
Net earnings	$ 20,864,000	9	$ 19,206,000	$ 14,306,000
Attributed to				
Preference shares non-convertible	$ 1,229,000	(45)	$ 2,242,000	$ 2,852,000
Preference shares convertible				324,000
Common shares	19,635,000	16	16,964,000	11,130,000
	$ 20,864,000	9	$ 19,206,000	$ 14,306,000
Net earnings per common share – basic	$ .91	12	$ .81	$ .64
Net earnings per common share – fully diluted	$ .83	17	$ .71	$ .57
Dividends paid per common share	$ .20	21	$ .165	$ .165
Net earnings ratios – annualized – to averaged				
Assets	.72%		.77%	.62%
Common shareholders' equity – fully diluted	18.86%		18.87%	16.78%

"Computerized employee payroll and benefit records allow quick and comprehensive access."

Bob Smith
Human Resources

THE PENSION PLAN OF CANADA TRUSTCO
MORTGAGE COMPANY AND
THE CANADA TRUST COMPANY

STATEMENT OF CONDITION

	September 30, 1984	December 31, 1983	December 31, 1982
Assets			
Investments			
Cash and short term notes	$10,190,000	$ 3,213,000	$ 6,163,000
Bonds and debentures	30,991,000	30,308,000	27,052,000
Mortgages	6,948,000	7,140,000	11,134,000
Stocks	36,186,000	42,159,000	25,740,000
	$84,315,000	$82,820,000	$70,089,000
Liabilities			
Accrued plan benefits	$77,059,000	$70,946,000	$63,882,000
Excess of assets over accrued plan benefits	7,256,000	11,874,000	6,207,000
	$84,315,000	$82,820,000	$70,089,000

STATEMENT OF CHANGES IN ASSETS

nine months ended September 30, 1984
and twelve months ended
December 31, 1983 and 1982

	Nine months ended September 30, 1984	Twelve months ended December 31, 1983	Twelve months ended December 31, 1982
Income			
Interest	$ 3,919,000	$ 4,319,000	$ 5,006,000
Dividend	1,017,000	1,765,000	1,366,000
Net increase (decrease) in market value of investments	(4,028,000)	6,341,000	3,626,000
	908,000	12,425,000	9,998,000
Contributions			
Company	1,106,000	1,137,000	4,333,000
Member	1,564,000	1,844,000	1,763,000
	2,670,000	2,981,000	6,096,000
	3,578,000	15,406,000	16,094,000
Expenditures			
Pension, termination and death benefits	1,958,000	2,553,000	2,088,000
Fees to The Canada Trust Company	125,000	122,000	139,000
	2,083,000	2,675,000	2,227,000
Increase in assets for period	1,495,000	12,731,000	13,867,000
Balance beginning of period	82,820,000	70,089,000	56,222,000
Balance end of period	$84,315,000	$82,820,000	$70,089,000

STATEMENT OF CHANGES IN ACCRUED PLAN BENEFITS

nine months ended September 30, 1984
and twelve months ended
December 31, 1983 and 1982

	Nine months ended September 30, 1984	Twelve months ended December 31, 1983	Twelve months ended December 31, 1982
Balance beginning of period	$70,946,000	$63,882,000	$57,968,000
Increase (decrease) during period			
Benefits accumulated	8,071,000	9,617,000	8,002,000
Benefits paid	(1,958,000)	(2,553,000)	(2,088,000)
Balance end of period	$77,059,000	$70,946,000	$63,882,000

Approved on behalf of the trustee

P.C. Maurice, Executive Vice-President, Finance and Investment Services

J.D. Richardson, Executive Vice-President, Regional Operations

J.H. Speake, Executive Vice-President, Client and Corporate Services

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

nine months ended September 30, 1984
and twelve months ended December 31, 1983 and 1982

1. Description of the plan

The plan is a contributory defined benefit plan open to all permanent full-time employees who satisfy certain eligibility requirements. Participation in the plan is mandatory following qualification.

2. Summary of significant accounting policies

Investments are recorded at market value and the net increase (decrease) in market value for the period is reflected in the statement of changes in assets. Accrued plan benefits are recorded as the actuarial present value of benefits in respect of service performed before the valuation date and all other accounts of the plan are recorded on the accrual basis.

3. Actuarial valuation

An actuarial valuation of the pension plan is performed annually using the accrued benefit method of funding which has been applied on a consistent basis.

4. Investments at market value

	September 30, 1984	December 31, 1983	December 31, 1982
Cash	$ 1,222,000	$ 493,000	$ 2,486,000
Short term notes	8,968,000	2,720,000	3,677,000
	10,190,000	3,213,000	6,163,000
Bonds and debentures			
Canada	22,539,000	21,500,000	19,257,000
Provincial	771,000	1,361,000	2,439,000
Corporate	7,681,000	7,447,000	5,356,000
	30,991,000	30,308,000	27,052,000
Conventional mortgages	6,948,000	7,140,000	11,134,000
Stocks			
Preference	74,000	163,000	541,000
Common	36,112,000	41,996,000	25,199,000
	36,186,000	42,159,000	25,740,000
	$84,315,000	$82,820,000	$70,089,000

AUDITORS' REPORT

To The Trustee of The Pension Plan of Canada Trustco Mortgage Company and The Canada Trust Company

We have examined the statement of condition of The Pension Plan of Canada Trustco Mortgage Company and The Canada Trust Company as at September 30, 1984, the statement of changes in assets and the statement of changes in accrued plan benefits for the nine months then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the plan as at September 30, 1984, the changes in assets and the changes in accrued plan benefits for the nine months then ended in accordance with the accounting policies disclosed in note 2 applied on a basis consistent with that of the preceding year.

Clarkson Gordon

January 23, 1985
London, Canada

Clarkson Gordon
Chartered Accountants

ACTUARY'S REPORT

I have examined The Pension Plan of Canada Trustco Mortgage Company and The Canada Trust Company as at September 30, 1984. My valuation was based on the accrued benefit method of funding and membership data supplied by the companies. In my opinion, the assumptions and methods employed are in accordance with generally accepted actuarial principles.

Bruce A. Miller

December 4, 1984
Toronto, Canada

Bruce Miller
William M. Mercer Limited

"Staff effectiveness is improved as training through computer terminals supplements paper-based manuals."

Paul Crowley
Grimsby
Main at Christie

"Computer simulations assist short and long term matching of assets and liabilities."

Kelley Hughson
Asset-Liability Management

EXECUTIVE AND SENIOR MANAGEMENT

One of our greatest assets is the strength of management. After each name, age and number of years service are shown. Average age is 46.1 years and average service is 18.2 years.

*Arthur H. Mingay (65-47)
Chairman of the Board and the Executive Committee

Mervyn L. Lahn (51-30)
President and Chief Executive Officer

REGIONAL

*John D. Richardson (46-13)
Executive Vice-President Regional Operations

PACIFIC REGION

Regional Office
Four Bentall Centre, Vancouver

Leo P. Sauve (53-21)
Senior Vice-President

M. Suellen Levi (31-8)
Assistant Vice-President

W. Lindsay Somerville (42-15)
Assistant Vice-President
Manager, Vancouver Four Bentall Centre

Kenneth G. Rennie (39-19)
Assistant Vice-President
Manager, Victoria View at Broad

Peter A. Davidson (45-8)
Assistant Vice-President
Corporate Business Development

PRAIRIE REGION

Regional Office
3rd Street at 5th S.W., Calgary

Kenneth J. McCubbin (46-14)
Vice-President

David B. Gregory (37-11)
Assistant Vice-President

James T. McDougall (42-18)
Assistant Vice-President
Manager, Calgary 3rd Street at 5th S.W.

Ronald S. Clayton (42-16)
Assistant Vice-President
Manager, Edmonton 100th Street at 101A

David W. James (40-7)
Assistant Vice-President
Manager, Winnipeg Portage at Fort

Kenneth L. Sutherland (52-33)
Assistant Vice-President
Corporate Business Development

SOUTHWESTERN ONTARIO REGION

Regional Office
Dundas at Clarence, London

A. James Scafe (52-30)
Vice-President

D. Eric. MacMillan (50-31)
Assistant Vice-President

O. Evan Whitehead (51-32)
Assistant Vice-President
Manager, London City Centre Mall

Ron Moretto (34-13)
Assistant Vice-President
Manager, Windsor University at Victoria

Herbert T. Lovett (46-15)
Assistant Vice-President
Corporate Business Development

MIDWESTERN ONTARIO REGION

Regional Office
King at Water, Kitchener

J. Terence Osbourne (55-28)
Vice-President

Gary L. Ford (38-15)
Assistant Vice-President

James R. Wilken (48-23)
Assistant Vice-President
Manager, Kitchener King at Water

Wilfred W. Park (57-37)
Assistant Vice-President
Corporate Business Development

METROPOLITAN TORONTO REGION

Regional Office
Yonge at Adelaide, Toronto

G. L. (Jed) Purcell (51-3)
Senior Vice-President

Charles C. Parsons (55-22)
Vice-President
Financial Services Branches

Liam S. O'Brian (56-18)
Vice-President
Corporate Relations

Donald W. Nichol (42-12)
Assistant Vice-President
Financial Services
Toronto Yonge at Adelaide

George Pace (52-36)
Assistant Vice-President
Trust Services

Robert B. James (55-20)
Assistant Vice-President
Corporate Business Development

NORTHERN ONTARIO/ QUEBEC REGION

Regional Office
Laurier at Metcalfe, Ottawa

Leonard W. Stoll (50-32)
Vice-President

Michael D. Woeller (32-6)
Assistant Vice-President

W. Robert DeCelles (57-20)
Assistant Vice-President, Quebec

Robert D. M. Strachan (36-15)
Assistant Vice-President
Manager, Ottawa Laurier at Metcalfe

HAMILTON/ NIAGARA REGION

Regional Office
King at Hughson, Hamilton

Gwyn E. Williams (47-26)
Vice-President

Warren C. Elliott (45-24)
Assistant Vice-President

Stephen C. Merrill (38-13)
Assistant Vice-President
Manager, Hamilton King at Hughson

ATLANTIC REGION

Regional Office
Quinpool at Monastery, Halifax

Donald W. Snyder (39-18)
Assistant Vice-President
Manager, Halifax Quinpool at Monastery

HEAD OFFICE

Canada Trust Tower
Dundas at Wellington, London

CLIENT & CORPORATE SERVICES

Jack H. Speake (56-35)
Executive Vice-President

John L. Doran (48-21)
Vice-President-Comptroller

Alan K. J. Bolam (38-4)
Assistant Vice-President
Accounting Services

Lawrence O. Philp (32-1)
Assistant Vice-President
Planning & Tax Services

Philip A. Heiland (54-13)
Vice-President
Trust & Corporate Services

*Donald A. MacDonald (57-39)
Assistant Vice-President
Corporate Trust Services

J. Rory MacDonald (34-9)
Assistant Vice-President
Personal Trust Services

J. Murray Tonge (36-8)
Assistant Vice-President
Pension Trust Services

J. Brent Kelman (42-7)
Vice-President
Data Resources

John P. Bosak (41-22)
Assistant Vice-President
Data Processing Operations

Douglas R. Dolman (46-13)
Assistant Vice-President
Support Services

Robert T. Panabaker (49-25)
Assistant Vice-President
Systems Development

James T. Lindores (52-16)
Vice-President
Special Projects

Stan A. Martin (38-17)
Vice-President
Savings Services

Robert P. Morneau (46-16)
Assistant Vice-President
RSP Savings

Sean J. McNamara (42-17)
Vice-President
Card Services

Norman White (57-25)
Assistant Vice-President
Clearing Systems

Frank W. Pratt (43-18)
Vice-President
Marketing Services

Donald E. Park (34-12)
Assistant Vice-President
Advertising

Duncan F. Tilly (42-13)
Vice-President
Human Resources

John A. Whaley (44-3)
Assistant Vice-President
General Counsel & Assistant Secretary

FINANCE & INVESTMENT SERVICES

*Peter C. Maurice (47-12)
Executive Vice-President

*W. James Blowers (51-31)
Vice-President
Trust Investments

*Christopher M. Disney (42-8)
Assistant Vice-President
Fixed Income Investments

*Richard B. Coles (38-5)
Vice-President
Corporate Loans

*Ivor J. Thomas (39-3)
Assistant Vice-President
Corporate Loans

*G. T. (Tom) Gunn (42-7)
Assistant Vice-President
Asset-Liability Management

*Robert M. Overholt (45-14)
Assistant Vice-President
Residential Mortgages and Consumer Loans

*William C. Thornhill (37-13)
Assistant Vice-President
Financial Administration

REAL ESTATE SALES

Eugene L. Baillargeon (48-8)
Vice-President

PROPERTY INVESTMENTS

John F. Schucht (40-19)
Vice-President

J. Douglas Gibbings (41-23)
Assistant Vice-President
Building Services

SECRETARY

C. Robert Clarke (64-35)
Vice-President

AUDIT SERVICES

Robert E. Redgwell (51-26)
Vice-President

**Located at Executive Offices*
Canada Trust Building
Yonge and Adelaide, Toronto

FINANCIAL SERVICES BRANCHES

Total national branches: 208
Regional branches in brackets

**Company owned*
‡Company has ownership interest

PACIFIC REGION (24)

BURNABY
5000 Kingsway Plaza

CLEARBROOK
Meadow Fair Plaza

KELOWNA
**Harvey at Spall*

LANGLEY
Willowbrook Mall

NANAIMO
Terminal Park Plaza

NEW WESTMINSTER
6th Street at 7th

PORT COQUITLAM
**Lougheed at Westwood*

PRINCE GEORGE
**Victoria at 5th*

RICHMOND
No. 3 Road at Cook
Francis at No. 1 Road
Lansdowne Park Mall
No. 3 Road at Williams

SURREY
152nd Street at 103rd

VANCOUVER
‡Four Bentall Centre
‡Cambie at 41st
Denman at Comox
41st at Yew
Main at Pender
West Pender at Hornby

NORTH VANCOUVER
Lonsdale at 19th

WEST VANCOUVER
Park Royal Shopping Centre

VICTORIA
**View at Broad*
Quadra at McKenzie

WHITE ROCK
Semiahmoo Shopping Centre

PRAIRIE REGION (32)

BRANDON
**Rosser at 8th*

CALGARY
3rd Street at 5th S.W.
Centre Street N. at 12th
8th Ave. S.W. at 2nd
14th Street at Northmount N.W.
Market Mall Professional Building
Memorial Drive at 52nd N.E.
**Richmond Square Mall*
17th Ave. S.W. at 11th
Southcentre Mall

EDMONTON
**100th Street at 101A*
Capilano Mall
Castle Downs Town Square
82nd Street at 130th
51st Ave. at 105th
Jasper at 115th
Millbourne Mall
156th Street at 87th
**Whyte at 83rd*

LETHBRIDGE
**3rd Ave. S. at 7th*
Park Meadow Mall

MEDICINE HAT
**3rd Street S.E. at 5th*

MOOSE JAW
237 Main Street

RED DEER
Village Shopping Centre
50th Ave. at Bennett

REGINA
11th Ave. at Cornwall
Albert at Gordon
Albert North across from Northgate Mall

SASKATOON
**2nd Ave. S. at 21st*

ST. ALBERT
St. Albert Mall

WINNIPEG
**Portage at Fort*
Unicity Mall

Main at Pender, Vancouver, B.C.

Capilano Mall
Edmonton, Alberta

Wonderland at Westmount Mall
London, Ontario

SOUTHWESTERN ONTARIO REGION (29)

CHATHAM
*King at 3rd
North Maple Mall

LEAMINGTON
Talbot at Erie

LONDON
‡City Centre Mall
Adelaide at Cheapside
Bradley at Ernest
*Commissioners at Boler
*Dundas at Clarence
*Dundas at Clarke Road
Dundas at English
Dundas at Talbot
*Huron at Highbury
*Oxford near Hyde Park Road
*Oxford at Platt's Lane
*Richmond at University
*Wellington at Base Line
*Wonderland at Sherwood Forest
Wonderland at Westmount Mall
*Wortley at Elmwood

SARNIA
*Christina at London Road
*Lambton Mall Road
Lochiel near Christina

ST. THOMAS
*Talbot at Elgin
Elgin Mall

STRATHROY
Caradoc at Ontario

WINDSOR
University at Victoria
Devonshire Mall
*Ouellette at Wyandotte
Tecumseh at Annie

MIDWESTERN ONTARIO REGION (31)

BARRIE
*Dunlop at Memorial

CAMBRIDGE
*44 Main Street
Franklin at Highway 8
John Galt Mall
*King at Westminster

COLLINGWOOD
*Hurontario beside the Town Hall

ELMIRA
*53 Arthur Street

FERGUS
*St. Andrew at Tower

GUELPH
*Wyndham at Cork
*Scottsdale at Janefield
Willow West Mall
*Woolwich at Speedvale

KITCHENER
*King at Water
*Belmont at Claremont
Fairview Park Mall
Forest Hill Plaza
*King at Ontario
Market Square
Pioneer Park Plaza
Stanley Park Mall
Strasburg at Blockline

LISTOWEL
Listowel Plaza, 975 Wallace N.

NEW HAMBURG
*Huron at Union

ORANGEVILLE
Orangeville Mall

OWEN SOUND
*985-2nd Ave. E.

STRATFORD
*Downie at Albert

WATERLOO
*Erb at King
Conestoga Mall
*Weber at Lincoln
Westmount Place

WOODSTOCK
*Dundas at Brock

HAMILTON/NIAGARA REGION (35)

ANCASTER
Wilson west of Fiddler's Green

BRANTFORD
*King George at Charing Cross

BURLINGTON
*Brant at Caroline
Burlington Mall
Guelph Line at Upper Middle
New at Appleby Line
Plains Road at King

DELHI
Church at Queen

DUNDAS
*King at Sydenham

DUNNVILLE
*Lock at Queen

FORT ERIE
*70 Jarvis Street

GRIMSBY
*Main at Christie

HALTON HILLS (GEORGETOWN)
*Main at James

*Mohawk at Magnolia
Hamilton, Ontario*

*McCowan at Highway 7
Markham, Ontario*

Huron at Union, New Hamburg, Ontario

HAMILTON
*King at Hughson
Centre Mall
Eastgate Square
Fennell at Upper Ottawa
Fennell at Upper Wentworth
Jackson Square
King at Rosedale
Mohawk at Magnolia
*Upper James at Mohawk

MILTON
*Main at Charles

NIAGARA FALLS
*Queen at St. Clair
Town & Country Plaza
Niagara Square

OAKVILLE
*Lakeshore at Trafalgar
Oakville Place

PORT COLBORNE
Clarence at Elm

SIMCOE
*Norfolk at Young
Simcoe Mall

ST. CATHARINES
*James at King
Grantham Plaza
Pen Centre

WELLAND
*Main at Cross

METROPOLITAN TORONTO REGION (37)

BRAMPTON
*Main at Queen
Bramalea City Centre
Shoppers' World Mall

MARKHAM
*McCowan at Highway 7

MISSISSAUGA
*Highway 10 south of 5
Burnhamthorpe at Erin Mills
Meadowvale Town Centre
Square One

OSHAWA
*Simcoe at King

TORONTO CENTRAL
*Yonge at Adelaide
Bloor at Bathurst
Dundas between University and Spadina
*Eglinton west of Avenue Road
*St. Clair at Yonge
Yonge at Erskine

TORONTO EAST
Don Mills Centre
*Kingston Road east of McCowan
Lawrence at Burnview
Lawrence at Golf Club Road
Lawrence at Pharmacy
Shoppers' World, 3003 Danforth
Warden Woods Mall

TORONTO NORTH
Avenue Road south of Fairlawn
Fairview Mall
5400 Yonge south of Finch
Finch at Birchmount
Finch east of Bayview
Hillcrest Mall
Sheppard east of Warden
St. Andrews Plaza, The Links Road

TORONTO WEST
*Bloor at Jopling
Bloor at Islington
Bloor east of Royal York
Islington at Rathburn
Markland Wood Plaza
Richview Plaza, Eglinton west of Islington
Royal York north of Eglinton

NORTHERN ONTARIO QUEBEC REGION (18)

CORNWALL
Cornwall Square

KAPUSKASING
Model City Mall

KINGSTON
*Princess at Wellington
Bath at Gardiners
Princess at Bath

KIRKLAND LAKE
*51 Government Road W.

MONTREAL
800 Dorchester Boulevard W.

NEW LISKEARD
Timiskaming Square

NORTH BAY
Fraser at McIntyre
North Bay Mall

OTTAWA
Laurier at Metcalfe
*Bank at Heron
*Merivale north of Meadowlands
*Pretoria Bridge at The Driveway
Richmond at Carling
Westgate Shopping Centre

SUDBURY
*Cedar at Durham

TIMMINS
*Third at Cedar

ATLANTIC REGION (2)

HALIFAX
Quinpool at Monastery

SAINT JOHN
*King at Canterbury

Pretoria Bridge at The Driveway, Ottawa, Ontario

King at Canterbury
Saint John, New Brunswick

REAL ESTATE OFFICES

Total national offices: 69
Regional offices in brackets

**Company owned*
‡Company has ownership interest

PRAIRIE REGION (15)

BRANDON
**819 Rosser Ave.*

CALGARY
Midpark Way S.E.
near MacLeod Trail
Northgate Village
Ranchlands Blvd. N.W. at Nosehill
**Richmond Square*
2515-90th Ave. S.W.
665-8th Street S.W. (Commercial)
Willow Park Village
10816 MacLeod Trail

EDMONTON
10020-101A Ave. (Commercial)
Primrose Shopping Centre
Saddleback Road
west of 111th Street

RED DEER
Village Shopping Centre
6320-50th Ave.

ST. ALBERT
Rivercrest Plaza,
367 St. Albert Road

SHERWOOD PARK
Sherwood Park Inn

WINNIPEG
Pembina Hwy. at Hector

SOUTHWESTERN ONTARIO REGION (13)

LONDON
**Byron Shopping Centre*
Dundas at Colborne (Commercial)
**Huron at Highbury*
Pall Mall at Richmond
Sherwood Forest Mall
Wellington at Bradley
Wharncliffe at Commissioners
Wonderland at Westmount Mall

NORWICH
Stover near Main

SARNIA
**Lambton Mall Road*

ST. THOMAS
**Talbot at Elgin*

STRATHROY
Caradoc at Ontario

WOODSTOCK
Dundas at Burtch

MIDWESTERN ONTARIO AND HAMILTON/NIAGARA REGION (25)

BRANTFORD
King George at Forsythe

BURLINGTON
Fairview at Walker's Line

CAMBRIDGE
Hespeler Road at Bishop
**King at Westminster*
**Main at Ainslie*

DUNDAS
**King at Sydenham*

ELMIRA
**53 Arthur Street*

GUELPH
**Wyndham at Cork*

HAMILTON
Centennial Parkway north of Queenston
Upper James south of Fennell

HANOVER
10th near 7th

KITCHENER
Highland Road east of Westmount
**King at Water*
**King at Water (Commercial)*
Stanley Park Mall
Strasburg at Blockline

NEW HAMBURG
Peel at Huron

NIAGARA FALLS
**Queen at St. Clair*

OWEN SOUND
**985-2nd Ave. E.*

ST. CATHARINES
Welland at Clark

STRATFORD
Ontario at Waterloo

WATERLOO
Conestoga Mall
**Weber at Lincoln*
Westmount Place

WELLAND
**Main at Cross*

CENTRAL ONTARIO REGION (16)

BRAMPTON
Bramalea Road at Steeles
**Main at Queen*

HALTON HILLS (GEORGETOWN)
**Main at James*

MISSISSAUGA
**Highway 10 south of 5*

NEPEAN
1514 Merivale Road

OAKVILLE
**Trafalgar at Lakeshore*

ORANGEVILLE
Broadway near First

OSHAWA
**Simcoe at Bond*

OTTAWA
Hampton Park Plaza

RICHMOND HILL
Hillcrest Mall

TORONTO NORTH
Bayview at Cummer
Sheppard east of Warden
Woodbine north of Steeles (Commercial)

TORONTO WEST
Bloor near Royal York
Dixon at Martingrove (Commercial)
**Eglinton west of Avenue Road*

Byron Shopping Centre
London, Ontario


Canada Trust